

UKRAINE CIVIL SOCIETY ENABLING ENVIRONMENT ACTIVITY

Second Year Annual Report

October 1, 2015 – September 30, 2016

Implemented by Ukrainian Centre for Independent Political Research (UCIPR)

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I. Summary

Overall purpose of the program is to improve the legislative and policy environment to become more conducive to civil society needs and to reflect European standards. The Program envisages strengthening of public oversight and engagement in governance, which is only possible through improvement of legislative/policy environment for media and civil society, as well as forming CSO ability to engage citizens and to represent their interests.

UCIPR's unique approach covers the full cycle of improvement of legislative and administrative environment for civil society development in its key areas. Namely, UCIPR combines analysis of shortcomings and opportunities, monitoring of emerging challenges, development of proposals for improvement of legal acts and administrative practices, initiating and leading advocacy campaigns as well as offer awareness campaigns, methodological support and monitoring of adopted legislation for civil society development.

In addition, the program also covers organizational development of UCIPR to make the Center able to sustain its activities and to serve as a leader and driver of civil society legislative efforts.

II. Current Context and Problems

Although the current political climate is in flux, Ukraine has made some advances toward democratic reform in its recent history. The progressive legislation passed between 2010 and 2014 along with mechanisms for civil society engagement in governance that were developed, helped Ukraine move closer to an Association Agreement (AA) with the European Union (EU). The Law on Public Associations provides an overarching framework for all non-governmental organizations in Ukraine. The Law on Charity and Charitable Associations, the Law on Access to Public Information, the Law on Volunteerism and the GOU Strategy of Government Policy on Civil Society Development and Priority Action Plan are supporting legislation and policy that helped establish a positive framework for Ukrainian civil society, which remains committed to supporting and furthering these gains.

Nevertheless, even with these significant and progressive civil society enabling legislative reforms, much more is needed to ensure a regulatory framework that is conducive to civil society and protects political and civil rights in Ukraine, and to prevent possible rollbacks. Remarkably, civil society and government have been unable to agree upon a legislative approach to governing assemblies, which has enabled law enforcement agencies to apply administrative charges against civic activists engaging in peaceful protests. The legal status of peaceful assembly has become more important and convoluted as citizens, opposition and the government struggled over prosecution for those engaged in the nation-wide EuroMaidan protests.

Moreover, politicians commonly toy with the idea to control international funding to NGOs. Legislation labeling civil society organizations that receive funds from international donors as "foreign agents" attempt to restrict operations through high taxation, negative public image and stringent governmental control, essentially leaving NGOs unable to function. At the same time, Ukrainian citizens are excluded from decision-making process at the national and local levels. Ukrainian authority remains closed and non-accountable to its citizens. Therefore, during the second year, UCIPR team will also be focused on local democracy development and redrafting the law on local referendum.

Besides that, new changes to the Tax Code came into effect on January 1, 2015, brought new challenges to NGOs. With comprehensive amendments to the Tax Code on July 17, 2015, NGOs received better tax regime and better procedures for obtaining non-profit status. At the same time, the procedures for forming of non-profit registry have still to be developed.

In addition, homophobia is a commonplace in Ukraine and violence and discrimination against LGBT activists routinely goes unpunished. Discrimination based on gender, ethnicity, sexual orientation and gender identity is broadly accepted by society and further legislative and policy protection of victims of discrimination is of paramount importance.

Finally, the absence of the special legislation on peaceful assemblies allows manipulating this instrument and freedom for own purposes. Using instrument of “freedom of peaceful assembly”, separatists and criminals shake the society and prevent stability

III. Program Approach

Building on successful legislative efforts of the current civil society program Ukraine National Initiatives to Enhance Reforms (UNITER), this activity supports CSO efforts to ensure proper implementation of the recently adopted progressive NGO legislation; further develops and introduces more favorable policies; protects against attempts to roll back progressive legislation or introduce new restrictive laws; and improves the overall CSO enabling environment sustained through the development of local funding mechanisms. Efforts also includes educating CSOs and appropriate government bodies on emerging legislative changes and encouraging compliance. In addition, UCIPR developed its technical and organizational capacity by implementing recommendations from a recipient contracted audit conducted in the summer of 2013, USAID’s Non-U.S. pre award survey (NUPAS) and UNITER/Pact evaluations. This improved its internal capacities and further grow as a leader and driver of civil society legislative efforts.

UCIPR identified as priorities the below mentioned issues and the programmatic approach to improving the quality and content of legislation and policy for civil society through annual implementation plan and monitoring and evaluation plan. During the second year, the activity was focused primarily on expanding citizen and civic participation in the development and monitoring of legislation and policy that is in line with European standards. UCIPR focused its activities on proactive improvements to the legislative and policy environment for Ukrainian civil society, as well as responded to and prevented any attempts to limit democratic governance through legislation and policy.

IV. Purpose, Objectives, Results and Activities

The purpose of the activity is to improve the legislative and policy environment to be more conducive to civil society and reflect European standards. To this end, UCIPR will focus on three objectives:

Objective 1: *(notional 40%)* Quality of relevant civil society enabling legislation and policy improved

Objective 2: *(notional 40%)* Capacity of public officials and CSOs to ensure effective implementation of legislation and policy increased

Objective 3: *(notional 20%)* Technical and organizational capacity of UCIPR as a leader and driver of civil society legislative efforts increased

All proposed activities fall under the three objectives of the Cooperative Agreement.

B. Activities by Objectives

Objective 1: Quality of relevant civil society enabling legislation and policy improved

During October 2015 – September 2016, UCIPR continued to drive the Ukrainian civil society agenda as the lead CSO advocacy group on civil society legal improvements as part of the *Reanimation Reforms Package* platform and other similar civic platforms.

UCIPR analyzed, developed and advocated for new legislation and policy in order to improve the civil society-enabling environment. UCIPR monitored key changes in the legislative environment for civil society and responded to attempts to restrict civil society's ability to operate. UCIPR assisted in amending current legislation and policy to improve the quality, as well as monitored implementation to ensure effective application.

UCIPR continued advocacy campaigns for better tax environment for non-profits and charities, better procedures for contest-based public funding of NGOs as well as for better design of state policy for civil society in general and securing of freedom of peaceful assemblies. At the same time, UCIPR made permanent monitoring of legislative initiatives in order to respond to attempts to restrict civil society's ability to operate. UCIPR continued all activities, envisaged by the Objective 1, which were started during the first year of the project implementation. The legislative priorities of this period were:

UCIPR continued all activities, envisaged by the Objective 1, which were started during the first year of the project implementation. It focused on the following **legislative priorities**:

- Changes to the legislation on establishing favorable tax environment for non-profits, charity and transparent public funding for non-profits to simplify CSOs operation (Draft Laws on Amendments to the Tax Code related to taxation of non-profits No. 3630 and 3357; Draft Law on Fight against Fraud in Charity Area No.3215); draft Cabinet of Ministers of Ukraine Decree on Procedures for Acquisition of non-profit status); Amendments to the legislation on public funding of CSOs to increase opportunities of competitive financing for NGOs (amendments to Cabinet of Ministers of Ukraine Decree No. 1049 on contest-based financial support of NGOs);
- Improvements to legislation on CSO registration (By-Laws for implementation of the Draft Law on Registration of Legal Entities, Private Entrepreneurs and CSOs No. 2983);
- Improvements to legislation on freedom of peaceful assembly (Draft Law on Peaceful Assembly No. 3587 and 3587-1) in order to ensure that the legislation is in line with European standards (Draft Law on Guarantees for Holding Peaceful Assemblies); and
- The Law on Local Referendums No. 2535-1 (alternative drafts - 2145a-3, 2145a-2 and 2145a-1) to improve democratic principles of citizen participation in local decision-making.

It also monitored, analyzed, and advocated against the passage and implementation of new laws that could restrict or limit the operating environment for civil society.

While working on legal reforms for civil society, UCIPR ensured participation of a wide group of organizations in program activities, including business associations and social service provider NGOs. UCIPR engaged NGOs through various methods and in the same way, UCIPR strengthened its advocacy capacity and the advocacy capacity of its partner NGOs through trainings and international technical expertise. UCIPR collaborated closely with the NGO Capacity Building Market place in order to use vouchers that helped empower NGOs to advocate more efficiently for legal reforms.

Finally, UCIPR advocated for the development of Civil Society Agenda to foster civil society development in Ukraine.

Results

- 1.1. Broad and effective civic networks formed that advance civil society legislative reforms.
- 1.2. Advocacy efforts at national and local levels lead to positive changes in civil society legislation.
- 1.3. Appropriate by-laws adopted to ensure implementation of progressive legislation (e.g., the Laws on Access to Public Information and on Public Associations).
- 1.4. CSOs enabling legislation developed with significant input from CSOs (e.g., draft Law on Peaceful Assembly, Tax Laws, policy initiatives outlined in the Civil Society Strategy, Final Draft Law on Local Referendum).

Indicators

- Number of CSOs receiving USG assistance engaged in advocacy interventions (*Foreign Assistance Framework standard indicator*)
- Number of CSO advocacy campaigns supported by UCIPR
- *Number of public policies adopted, repealed, changed or implemented with USG assistance⁹ (*Civic Oversight Project indicator*)
- *Percentage of CSOs with improved oversight capacity (*Civic Oversight Project indicator*).

a. Activities

Within this objective, second year of the project was focused on legislation on registration and status of NGOs, public participation in decision-making and policy monitoring, financial sustainability of NGOs, peaceful assemblies, state policy for civil development and access to public information. These issues were crucial for development of civil society as leading to formation of participatory and accountable government. Therefore, to reach goals of the Objective 1, UCIPR continued the work started during the first year:

Expected result 1.1: Broad and effective civic networks formed that advance civil society legislative reforms

Forming coalitions to advance civil society legislation reforms

During October 2015 – September 2016, UCIPR together with partner-CSOs formed a coalition of charities to advance tax legislation for charity and continued to work with three civil society networks (for favorable tax environment for non-profits, for transparent public funding for non-profits and for securing freedom of assemblies). The networks developed and advocate for common changes in the legislation and monitored the practices of their implementation.

On November - December 2015, UCIPR started to form Coalition for favorable tax environment for CSOs and charitable organizations. At the beginning, it held a meeting of seven key charitable foundations in order to identify the most critical gaps in tax legislation for charitable activities. In the course of this discussion, UCIPR developed legislative proposals for improving tax environment for charities, which should be included into the new Tax Code. And on December 15, 2015, seven organizations (Ukrainian Forum of Philanthropists, Tabletochki Charitable Fund, Ukrainian Market of Charity, Foundation “Ours” (Svoi), Charitable Fund “Social Partnership”, Foundation “Zaporuka”, Volunteer Organization “Dobrovolia”) signed the memorandum of demands of charities towards tax reform. The following biggest charities joined the memorandum. Memorandum and coalition are open for all interested charities.

Members of coalition ran joint advocacy campaign to advance tax legislation for charity. Top priority of the coalition for now are draft laws on charitable text messages (SMS) No. 3467 and No. 2297. Current activities include flesh-mob with the demand for Parliament Tax Committee to issue positive conclusion on the draft laws.

Meeting of Coalition for favorable tax environment



Moreover, some CSOs (such as organizations of the Federation of labor unions) have been encouraged to join the coalitions for favorable tax environment and for transparent public funding for non-profits.

Such discussions helped to reshape the vision, to exchange with ideas and to discuss the most important issues with the key charitable foundations and other CSOs. As outcome, UCIPR and partners developed ways of tax and budget legislation improvement, as well certain implementation of tax and public funding of CSOs issues of the Government Action Plans to the National strategies (for promoting civil society development; in human rights sphere). Moreover, they hold joint meetings with the Ministry of Finance of Ukraine and the State Fiscal Service and ran advocacy campaign on simplifying of non-profit status obtaining procedures.

Finally, UCIPR together with partner CSOs relaunched the work of the Freedom of Peaceful Assembly Coalition to foster the adoption of the Law on Peaceful Assembly in Ukraine. The coalition developed the draft law, which was submitted to the Parliament and registered by a number of MPs. From the beginning of our work on the drafting of the text, the most successful was the cooperation with the Center of Political and Legal Reforms. In addition, the cooperation with ECNL was renewed and we received their support in conducting expertize of the draft law on freedom of peaceful assemblies. Particularly successful was the communication with the European Union Advisory Mission, which helped to build relationship with the Ministry of Internal Affairs. In the framework of cooperation with partners, we managed to register draft law on securing the guarantees on freedom of peaceful assemblies with the Parliament.

Forming network of CSO resource centers

During October 2015 – September 2016, UCIPR started to form the network of CSO consultative and resource centers to serve as legal aid centers. First consultative center on legislation for CSO and charitable organizations was officially opened in Kryvyi Rih on June 22, 2016. The center serves as an Advisory Legal Center for Civil Society and Charitable Organizations and it provides legal consultations on registration, taxation and statutory documents amendments of the civil society, charitable and volunteer organizations. In addition to consultations, it also supports local initiatives and projects and provides premises for holding constituent meetings of CSOs, training and workshops on CSO legislation.

During the few months of the Center operation, more than 50 local activists received substantial consultative support regarding CSO registration and few trainings and public gatherings were held in the premises of the Center, including the Seminar on “How to register a civil society organization in Kryvyi Rih” on June 23, 2016, which was attended by 24 people.

Official opening of the center in Kryvyi Rih and seminar on CSO registration



UCIPR plans to continue to administer the Center in Kryvyi Rih and to open new Center for Donbas region. Preliminary, the second center will be located in Mariupol or Kramatorsk.

Expected result 1.2: Advocacy efforts at national and local levels lead to positive changes in civil society legislation

The UCIPR team took part in meetings of governmental and parliamentary working groups and other types of consultations with decision-makers on issues of local democracy (local level), public funding of NGOs (central level) and public participation in decision-making (central level). The UCIPR team made quarterly monitoring of draft laws submitted for consultation to Parliament and of legal initiatives of central executive authorities that cover framework for operation of NGOs and general rights and freedoms. If significant risks were identified, UCIPR launched relevant advocacy efforts and continued started advocacy campaigns.

Consultations with decision-makers on issues of public funding of NGOs

During the second year, the project team and its partners held consultations with representatives of the Government regarding improvement of the procedures for CSO public funding, charity organizations inclusion into the list of recipients of public funding, implementation of the certain elements of the Action Plan to the National Human Right Strategy and National Strategy for Promoting Civil Society Development.

As example, during May-September 2016, the program team provided methodological support and consultations for regional state administrations while they established regional Coordinating Councils for promoting civil society development, elaborated and implemented regional programs and regional Action Plans according to the National Strategy for Promoting Civil Society Development in Ukraine in 2016-2020. Besides, the project team analyzed efficiency of the implementation of the requirements, which are implemented by the regional state administrations according to the National Strategy for Promoting Civil Society Development in Ukraine in 2016-2020 and identified key problems, including:

1. Four regional state administrations haven't established regional coordinating councils for promoting civil society development (Dnipropetrovs'k region, Ivano-Frankivsk region, Lviv region, Odesa region);
2. There are only 14 programs for promoting regional civil society development, which are approved by regional councils.
3. There are only 15 regional Action Plans for implementation of National Strategy for promoting civil society development in 2016 year, which are approved by the regional state administrations and are in process of implementation now.

On September 2016, the program team held a focus group to identify views of NGO leaders on priority reforms in legislation for civil society development. This focus group made possible to

identify not only priority reforms in legislation, but also NGO leaders' opinion on the key changes in the legislative environment for civil society. In the course of the focus group, it was identified that registration procedures of NGOs and charitable organizations and taxation for CSOs need to be improved as well as clear legal regulations of peaceful assemblies in civil society legislation environment have to be developed.

Most of participants noted that the legislation environment for CSO was improved, but a lot of challenges and problems still have to be addressed. Moreover, the importance of considering the relevant Draft Laws, which introduces changes to the Law on Charity and charitable organizations and to the Budget Code was discussed.

As a separate area of UCIPR efforts it was the advocacy campaign for improving the Draft Action Plan for implementing the National Strategy for Promoting Civil Society Development, the draft Report on the Action Plan for implementing of the Initiative «Partnership «Open Government» in part of introducing certain provisions on public funding as one of the priorities for civil society development.

The methodological support and consultations for regional state administrations while they will be developing their programs in the part of inclusion contest-based financial support to NGOs, will be provided within the 3rd year of the Project.

Running advocacy camping for positive changes into Law on Registration of Legal Entities, Private Entrepreneurs and CSOs

During October – December 2015, the UCIPR team ran advocacy campaign for introduction of positive changes into the Law on Registration of Legal Entities, Private Entrepreneurs and CSOs. In the framework of the advocacy campaign, the UCIPR team participated in the working groups, developed recommendations for the second reading, as well as collaborated with the VRU Committee, Reanimation Reform Package, partners and beneficiaries. In addition, the UCIPR team developed explanations and infographic about positive changes to registration process brought by this Law.

It started its campaign for introducing changes into the Draft Law on Amendments to the Law on State Registration of Legal Entities, Private Entrepreneurs and Civil Society Organizations, including free registration of changes in statutory documents of CSOs and charitable organizations in August 2015. The UCIPR team also managed to advocate for introducing “single window” system for submitting documents for CSO registration and obtaining non-profit status as well as developed procedures for regulating “single window” procedures.

In the course of the campaign, UCIPR team and coalition members held meetings with the Parliament Committee on Industrial Policy and Entrepreneurship and the Ministry of Justice of Ukraine. After the adoption of the Law on Registration of Legal Entities, Private Entrepreneurs and CSOs, UCIPR experts were involved into advocacy campaign for development of the Procedures for registration (adapted by the Ministry of Justice according to the Law). These Procedures allow for submission of CSO registration documents to Centers of Administrative Services.

On June 9, 2016, experts of the USAID “Citizens in Action” Project initiated working meeting with the leadership of the Ministry of Justice, civil society representatives and representatives of the Administrative Services Centers to discuss the legal environment for CSO registration. During the meeting, project team presented the results of its monitoring of problems with CSO registration at the Administrative Services Centers. As a result, it was decided to establish a working group under the Ministry of Justice to develop proposals and to introduce amendments to the Law on State Registration of Legal Entities, Private Entrepreneurs and CSOs in the part of CSO registration. The respective Decree No.529/7 was signed by the Minister of Justice on June 17, 2017.



The key assignments of the working group were identified as follows:

1. Organizing interaction of territorial justice departments and Administrative Services Centers, including holding trainings and seminars for the employees of those institutions. The UCIPR experts and officials of justice departments will provide trainings to be launched at the end of the second year.
2. Establishing data exchange among the Unified State Register of the Legal Entities, Private Entrepreneurs and CSOs, Administrative Services Centers and Territorial Justice Departments. This assignment will be accomplished based on the methodological recommendations developed by the working group.
3. Developing and approving of model information cards of administrative services to be provided to the Territorial Justice Departments. Such model cards were developed by the project experts and approved by the representatives of Ministry of Justice (Decree No. № 1920/5 of July 7, 2016¹.)
4. Developing and approving of the information and technological cards to be provided to the Territorial Justice Departments. The model technological card was developed by the project experts and approved by the Decision of the working group on August 19, 2016.
5. Preparing Draft Cabinet Order on Introducing Changes into Cabinet Order No. 523 of May 16, 2014 in the part of extending the number of administrative services to be provided by the Administrative Services Center. Proposals to the above-mentioned Order were provided to the working group by the project experts.
6. Preparing draft Cabinet Decree on Introducing Changes into the Cabinet Order No. 359/5 of February 2, 2016 on Procedures for State Registration of Legal Entities, Private Entrepreneurs and CSOs. The changes to the Decree were introduced based on the proposals the project experts (Decree No. 2248/5 of July 22, 2016 on Introducing Changes into Procedures on Maintaining State Registration of the Legal Entities, Private Entrepreneurs and CSOs without status of legal entity².)
7. Developing model statutory documents required for CSO registration. Statutory documents developed by the project experts and submitted for the working group considering. It is expected that they will be approved by the working group in the following months.
8. Developing of the Draft Law on Introducing Changes into Law on State Registration of Legal Entities, Private Entrepreneurs and CSOs in the part of harmonization of CSO legislation. Project team proposals were presented at the working group session and submitted to the Ministry of Justice.

¹ <https://minjust.gov.ua/ua/news/48456>

² <https://minjust.gov.ua/ua/news/48501>.

In addition, the project team ran successful campaign for adoption of the Law on bodies and persons engaged in the enforcement of court and other bodies' decisions passed on June 6, 2016 and which contains proposals of the project experts regarding amending Law on State Registration of Legal Entities, Private Entrepreneurs and CSOs regarding subject of state registration of civil society organizations. Thus in the paragraph 14 of the article 1 of the Law on State Registration envisages CSO registration by the territorial justice departments of Autonomous Republic of Crimea, oblasts, Kyiv and Sevastopol (not rayon departments of justice). The Law enters into force on October 5, 2016³.

Moreover, due to successful cooperation between UCIPR experts and Ministry of Justice, MoJ Decree No. 1717/5 was issued on June 17, 2016, on Introducing Pilot Project for CSO Registration, which envisages CSO registration document submission by the local centers of the free secondary legal aid. On July 13, 2016, Minister of Justice approved the model information cards for administrative services in the area of CSO registration. Thus, another step was taken towards the establishing the procedure for CSO registration via front offices (administrative services centers and centers of free secondary legal aid⁴.

On July 22, 2016, Order of the Ministry of Justice No. 2248/5 was adopted on Amending Procedures for State Registration of the Legal Entities, Private Entrepreneurs and CSOs without legal status. The Order includes the project team proposals⁵. Thus, one of the key problems of the efficient launching of the CSO registration by the front offices was resolved, i.e. eliminating of the unnecessary documents resending on the each stage of registration. Taking into account that CSO registration by Administrative Services Centers was launched due to liquidation of the rayon, city and other justice departments, there was no allocated financial resources for such assignments. Therefore, it could become the major problem for efficient operation of the Administrative Services Centers and centers of free secondary legal aid as front offices.

Securing right to freedom of peaceful assemblies

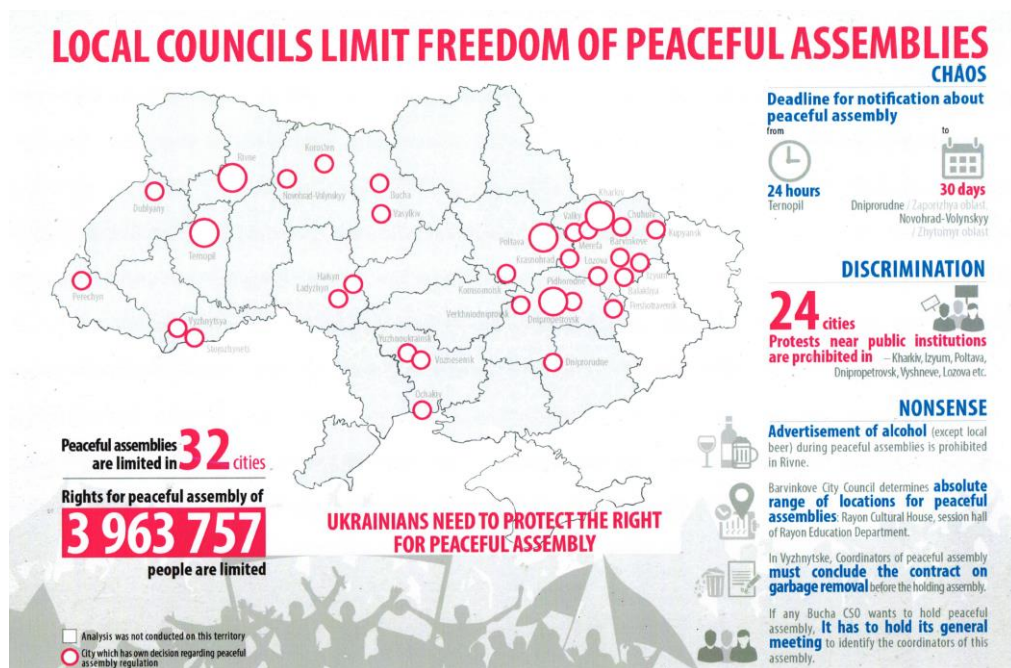
During the second year period, the project team undertook a largescale advocacy campaign to establish the current state of affairs as regards the exercise of the right to assemble and to raise awareness about the existing problems. Based on this, it aimed to show the need to draft and adopt the law on the freedom of peaceful assembly in Ukraine.

As a part of this campaign, a monitoring of the existence of the local regulations on the assemblies was held. As a result, it was established that respective regulations exist in at least 30 cities that are district centers. Moreover, it was established that a considerable number of cities still applied legal acts adopted during the Soviet times that did not comply with the provisions of the 1998 Constitution. The results of the monitoring were presented to the public, and the local authorities were called to abolish their regulations as they violated the separation of powers and restricted the constitutionally guaranteed right to assemble.

³ <http://zakon3.rada.gov.ua/laws/show/z0876-16>.

⁴ Decree of Ministry of Justice No. 1920/5 of July 13, 2016 on Approving of Model Information Cards for Administrative Services in the Area of Registration of Legal Entities, Private Entrepreneurs and CSOs without Legal Status - <https://minjust.gov.ua/ua/news/48456>.

⁵ <http://zakon3.rada.gov.ua/laws/show/z1017-16>



In July 2016, the second round of monitoring was conducted, which showed that only three cities abolished the respective regulations, while the majority still retained them. Moreover, despite all the efforts and the information campaigns within the last 2-3 years some of the cities even adopted new versions of their regulations.

Another measure implemented was the court campaign in the frameworks of which the mentioned regulations in the different regions of the country were challenged. During the campaign, the project team wanted to repeal local acts that limited freedom of peaceful assemblies in Kharkiv, Korosten, Poltava, Krasnohrad, Bucha and Novopetrivtsi Village. UCIPR engaged external expert in freedom of peaceful assembly to draft and file complaints to the courts against local councils for illegally restricting the right to freedom of peaceful assemblies. Court decisions in Kharkiv and Poltava were in favor of the city council. The results of this court campaign were outlined during the press conference on November 25, 2015 and on infographics and leaflets explaining why the adoption of this draft law was essentially important for society and authority.

The campaign showed that despite the fact that the Constitution of Ukraine provided for the right to peaceful assembly, local authorities and courts interpreted this provision in their own way. The analysis conducted in July 2016, shows that in two cases, the local authorities abolished the regulations pending the proceedings as a measure of the out-of-court settlement. In other two cases, the courts refused to consider the claims due to the expiration of the statutes of limitation. In the two cases left, the courts refused to allow the claims, and upheld the regulations. The latter two judgements were appealed before the courts of appeal and cassation. In one case, the court of cassation refused to open the cassation proceedings due to finding the appeal ill founded, but in the other case the same court but a different panel of judges opened the proceedings and the case is currently pending. In the light of the above, a possibility is being considered to challenge such inconsistent practice before the Supreme Court of Ukraine.

The monitoring results described above were used to show that the law on the freedom of assembly that would regulate all the issues related to the exercise of this right were badly needed in Ukraine. Fortunately, late 2015, a number of experts from public authorities and CSOs, including UCIPR, drafted a law on the freedom of assembly. On December 7, 2015, the Draft Law No. 3587 on Guarantees for Freedom of Peaceful Assemblies was registered with the Parliament by the group of MPs lead by the Chairperson of the Parliamentary Human Rights, National Minorities and Interethnic Relations Committee and co-authors. The draft law envisages the procedure of notification of the local authorities on the intention to hold an assembly 48 hours in advance, allows

for the spontaneous assemblies, protects counter-assemblies, specify Organizer's responsibilities and grounds for restricting assemblies.

Also, an alternative draft (No. 3587-1) was registered in December 2015 by a group of the Members of Parliament that provided for a bit more lenient procedure not requiring to notify the authorities of the intention to hold an assembly. In early July 2016, both draft laws were submitted to the Venice Commission for it to provide its expert opinion.

Such initiation of legislative process is a positive development, however it is important not to miss the momentum and finalize it as submitting the draft laws to the Parliament is only a first step. In the light of the above developments, it was decided to hold a conference dedicated to the issues of the freedom of assembly at the beginning of October. Therefore, in July-September 2016 a number of measures were taken, including partner meeting with the EUAM representatives on cooperation in the organization of the conference. Based on the agreements reached at the meeting, a draft conference outline and draft agenda were prepared.

Moreover, a meeting with the members of the Freedom of Assembly Coalition and other CSOs involved in monitoring and securing freedom of peaceful assemblies, was organized and held. The meeting was important for the participants to discuss the current situation, measures taken by the members on their own and to reach agreement on the joint position of the coalition that could be presented during the event. The public discussion will be held on October 12, 2016. It will be attended by MPs, experts, representatives of CSOs, public institutions and international organizations.

In addition, in the framework of the advocacy activities in July 2016 an *amicus curiae* letter was prepared to support the submission of the Ombudsman of Ukraine to the Constitutional Court of Ukraine. In this submission, the Ombudsman is challenging the provisions of the Code of Administrative Justice providing that court decision to ban a peaceful assembly are subject to immediate execution. The Ombudsman considers these provisions not in line with the rights to assemble peacefully and to effective judicial remedy and thus, unconstitutional. The problem raised by the submission stems from the legislative rule to the effect that a court decision to ban a peaceful assembly is subject to immediate execution. Although the right to appeal is guaranteed in such cases, the procedure is prolonged and does not allow for the interim injunction. This means that even if the lower court's decision will be quashed on appeal and the assembly allowed, this may take place after the intended date of the assembly. Thus, the judicial remedy against the violations of the right to assemble peacefully is rendered ineffective. Moreover, such procedure is not in line with the international standards.

The UCIPR supports this position and believes that this legislative deficiency is yet another indication of the need for a comprehensive law on peaceful assemblies.

Advocacy campaign for positive changes into the Tax Code

Since June 2016, UCIPR ran advocacy campaign for improving tax legislation for non-profits in order to create more favorable tax environment for non-profits, including improving legal environment for business activities of CSOs and for allowing non-profits to spend money for its activities without losing non-profit status. Furthermore, the efforts were focused on simplifying requirements for non-profits tax reporting and clarifying procedures for non-profits tax reporting. Moreover, requirements for non-profit status obtaining were harmonized with the provisions of the law on registration. And finally, all proposed amendments decreased administrative pressure from business entities - counterparties of non-profits. Relevant Draft Law provisions were developed and submitted to the Working Group created for preparing tax reform in the part of improving tax administration.

The UCIPR expert joined this Working Group and participated in its meetings and discussions. During the meetings, she held discussions regarding amendments to the Tax Code raised during the meetings with the representatives of the Ministry of Finance, Tax Authority, CSOs. UCIPR plan to continue its advocacy campaign for improving tax regime for non-profits and for adopting the abovementioned changes. It is expected that the draft law will be adopted until the end of 2016 year.

Advocacy campaign for advancing state policy for promotion of civil society development

During October 2015 – February 2016, the project team continued its advocacy campaign for advancement of the public policy for promoting civil society development in Ukraine. As a result, on February 2016, the President issued a Decree No. 68/2016, which approved the National Strategy for Promoting Civil Society Development in Ukraine in 2016-2020. The National Strategy provided four key areas of civil society development:

1. Development of better environment for institutionalizing of CSO development;
2. Ensuring of effective procedures for public participation in decision-making at the national and local levels;
3. Encouraging NGOs' participation in the socio-economic development of Ukraine;
4. Development of enabling environment for intersectional cooperation.

Besides that, the Presidential Decree provides the following opportunities, including:

- Establishment of the Coordinating Council for Promoting Civil Society Development under the President of Ukraine and Regional Coordinating Councils for promoting civil society development, which will be formed by both public officials and NGOs' leaders;
- Development and adoption of Annual Government Action Plans for implementation of National Strategy in 2016-2020 years;
- Development and adoption of regional Programs for promoting civil society development and annual regional Action Plans for implementing the Program.

In March – September 2016, the project team ran advocacy campaign for establishing the Coordination Council for Promoting Civil Society Development under the President of Ukraine in accordance with the Presidential Decree No. 68/2016. As a result, in September 2016, the President issued a Decree on approving the establishment of Coordination Council for promoting civil society development under the President and the list of its members. Mr. Maksym Latsyba, Chief of Party, USAID "Citizens in Action" Project (UCIPR), was appointed as a member of the Coordination Council for Promoting Civil Society Development under the President of Ukraine.

Expected result 1.3: Appropriate by-laws adopted to ensure implementation of progressive legislation (e.g., the Laws on Access to Public Information and on Public Associations)

Improving procedures for public funding of NGOs (Cabinet Decree No. 1049)

During October – December 2015, the project team continued its advocacy efforts aimed at improving the Cabinet of Ministers of Ukraine Decree No. 1049 on procedures for contest-based financial support to NGOs. UCIPR held a number of successful meetings with the Ministry of Finance, Ministry for Youth and Sports and NGOs to reach consensus on the procedures.

As a result, on February 25, 2016 the Cabinet of Ministers of Ukraine adopted amendments to the Decree No. 1049, which allowed for:

- Access of 10 000 youth organizations for funding on national level (previously only limited number of all-Ukrainian youth NGOs were eligible to apply);
- Opportunity for projects to start at the beginning of the year instead of the second half of the year (previously, contest procedures took up to half of the year in which projects were meant to be implemented).

Advocacy campaign for adoption of the Cabinet Decree on Registry of non-profits

In October 2015 – March 2016, UCIPR developed draft regulations on the Registry of non-profits and organized consultations with decision-makers. The Registry was to design to establish procedures for acquisition and cancellation of non-profit status of NGOs. It had to push the Ministry of Finance of Ukraine to engage in consultations with NGOs; initially, the Ministry attempted to develop and adopt the procedures without public consultations. In order to force the Ministry to open consultations, UCIPR held a protest at the building of the Ministry.

Advocacy campaign for adoption of the Cabinet Decree on Registry of non-profits



In November 2015 - February 2016, UCIPR initiated three meetings on this issue with the mid-level officials of the Ministry of Finance and the State Fiscal Service of Ukraine, one meeting with the Deputy Head of Presidential Administration and the Deputy Minister of Finance and raised the problem during the meeting with the President of Ukraine.

As of the end of February, 80% of UCIPR's proposals were considered in draft regulations on the Registry of non-profits. UCIPR continues consultations with the Ministry of Finance and the Ministry of Justice of Ukraine to ensure consideration of key proposals in final draft of the regulations.

On July 13, 2016, the Cabinet of Ministers adopted a Decree on the Register of nonprofit institutions and organizations. Most of UCIPR recommendations were taken into consideration in the version adopted. The Decree envisages legal grounds and clear criteria for including non-profit enterprises, institutions and organizations to register and their exclusion from the Register. Moreover, it cuts deadlines for registrars' considerations of the CSO documents (14 calendar days from 30). As well as, it sets simplified procedures for obtaining and withdrawal of non-profit status:

- documents for obtaining non-profit status can be submitted to state registrars via "single window" or on-line;
- statutory documents have to be published at the Tax Authority website (no need to deliver them to Tax Authority by Organization).

Furthermore, it facilitates the settlement of possible disputes between tax authorities and non-profit institutions and organizations for the implementation of the Tax Code of Ukraine. Finally, the Decree envisages mechanism for the Tax Authorities informing of non-profit institutions and organizations about the need to bring the statutory documents to the new

requirements of the Tax Code of Ukraine and the need to complete registration procedure until January 01, 2017.

However, some provisions of the approved order for non-profit status obtaining and changes into registration of the statutory documents at tax authorities have still to be improved. Such provisions relate the correction of the technical mistake regarding requirement on stating in statutory documents the phrase about spending money for statutory purposes, prolonging period for statutory changes registration at the tax authority, application for non-profit status requirements for CSOs with multilevel structure.

Jointly with the Federation of Labor Union, UCIPR continued its advocacy campaign for adopting amendments to the abovementioned Decree, held discussions during joint meetings with the representatives of the Ministry of Finance and the Tax Authority, developed the draft Decree of the Cabinet of Ministers on changes to the Order of non-profits Registry. It is expected that the Decree would be adopted at the end of 2016 year.

Moreover, nowadays there is a technical problem with the implementation of "single window" system for non-profits. Such important option is stipulated under the Decree; however, the software of the state registrars does not allow providing the Tax authorities with application for non-profit status. Therefore, the UCIPR team continued to run advocacy campaign in order to implement the "single window" system. With this purpose, it held discussions with the public officials of the Ministry of Justice, Ministry of Finance, Tax Authority, and raised this issues during the meetings with Kyiv Coordination Council and key CSOs.

In addition, it developed the solution for problem solving and submitted them via official application to the State Authorities abovementioned. And, finally, UCIPR team took part in development of the Information letter of the Ministry of Justice regarding such issue.

UCIPR will continue to make advocacy efforts in order to implement "single window" system for non-profits. It is expected that the problem will be resolved until 2017.

Advocacy campaign for adoption of the amendments to the Ministry of Finance Order on Tax Reporting for non-profits

On June 17, 2016 the Ministry of Finance adopted an Order No. 553 on the form of Tax Report for non-profit institutions and organizations on use of income (profit), registered by the Ministry of Justice of Ukraine Order No. 932/29062 dated July 07, 2016. New simplified form of the Statement for non-profits (unlike the previous one, adopted by the Tax Authority Order No. 85 dated on January 01, 2014) was designed according to effective provisions of the Tax Code of Ukraine and taking into account latest amendments related to non-profit organizations:

- the right of non-for-profit organization not to pay taxes on income earned from any statutory activities (as established by the laws for non-profit organizations of particular type) and not from exhaustive list of activities (there is the line for "other income");
- taxes are collected on amounts used by non-profit organization for purposes other than statutory activities and/or distributed among the founders, participants, members, employees or related parties (i.e. in case of breach of the Tax Code);
- Budget items for incomes and expenditures are standardized for various types of non-profit organizations.

However some provisions of the approved tax statement form for non-profits have still to be improved, e.g. technical mistakes on the period of submission; requirements to financial statements submission and annexes to tax report; statement of some lines regarding amounts to be charged (in case of violation the Tax Code provisions for non-profits); and the order of reporting after the breach of such provisions.

UCIPR expert ran advocacy campaign on adoption of amendments to the specified Order, held discussions during joint meetings with the representatives of the Ministry of Finance and the Tax Authority, and discussed it with key CSOs. It also developed and submitted the draft Order to the Ministry of Finance with the relevant changes, submitted the official letter to the Ministry of Finance and the Tax Authority.

UCIPR will continue to make advocacy efforts in order to adopt this draft Decree. As mentioned above, simultaneously UCIPR held discussions on the complex changes to the Tax Code regarding non-profits, which make effect on the reporting order as well.

Therefore, it is expected that the draft Order would be adopted until the end of 2016 year, after the amendments to the Tax Code specified are adopted

Expected result 1.4: CSO enabling legislation developed with significant input from CSOs (e.g., draft Law on Peaceful Assembly, Tax Laws, policy initiatives outlined in the Civil Society Strategy, Final Draft Law on Local Referendum).

Proposals to new Law on peaceful assemblies, proposals for improvement of tax legislation for NGOs, legislation on social contracting and on tools of local democracy were developed with the significant input from all interested NGOs.

Focus Group for Identifying Problems with registration of CSO and charitable organizations

On March 29, USAID “Citizens in Action” project held the focus group in order to identify issues and difficulties faced by civil activists in the process of the state registration of CSOs and charitable organizations. This focus group was aimed at assessing of implementation of the new Law on Legal Entities Registration in the part of registration of civil society organizations and charitable organizations. Focus-group participants discussed the following issues:

1. Difficulties during initial registration/registration of changes to information about the civil society organization.
2. Difficulties in the process of gaining non-for-profit status for CSOs and charitable organizations.
3. Difficulties in the process of confirmation of all-Ukrainian status of organizations, registration of separate units (branches, representative offices).
4. Evaluation of competences and performance of state registrars by civil activists.

Most of participants noted that following the changes to the rules and procedures of the state registration that became effective on January 1, 2016, CSO registration process became easier. There are still a lot of problems, though.

The following burning issues were identified during the focus group:

1. Incompetence and lack of qualifications of the state registrar.
2. Lack of technical capacities by the state registrars to comply with the new registration rules, to scan CSO statutes and upload them to the database of the Uniform State Register of Legal Entities, Private Entrepreneurs and Civil Society Organizations.
3. Lack of technical capabilities for online registration of CSO and charitable organizations.
4. Partial liquidation of district and local justice departments before May 2016. Nobody knows who can perform registration beyond May 2016 in the cities where justice departments will be liquidated.
5. Charges for registration of changes to information about CSOs and charitable organizations.

Focus group produced proposals to the Ministry of Justice and Department of the State Registration of the Ministry of Justice as well as changes to the effective legal acts intended to address the above issues and simplify CSOs registration procedures.

Development of amendments to tax legislation for better tax incentives for charity

During the second year, the UCIPR team work on improving Tax Code regulations for non-profits. Since November 2015, UCIPR in partnership with the Ukrainian Philanthropist Forum developed proposals for second reading of Draft Laws No. 3357 and No. 3630 on tax reform. These proposals addressed the needs of key charitable foundations in Ukraine were identified during a focus group on November 4, 2015. The focus group held with seven largest charitable foundations and volunteer groups showed the needs and helped to develop vivid financial and social arguments in support of tax incentives for charity.

On February 2016, UCIPR and Ukrainian Philanthropist Forum held a session on strategic advocacy for better tax environment for NGOs at the Annual Philanthropic Conference where the joint advocacy plan for pushing better tax environment for charity was developed. In addition, UCIPR presented draft legislative initiatives on improvement of tax environment for charity.

Furthermore, UCIPR focused its efforts on improving tax regime for CSOs and charities, including development of provisions for improving the Tax Code in terms of taxation of non-profits and charity in order to decrease administrative pressure from business entities - counterparties of non-profits as well as from recipients of charity aid. Relevant provisions were submitted to the Working Group under the Tax Authority as a part of complex Draft Law on Amendments to the Tax Code in the framework of Tax Reform.

Moreover, the UCIPR expert was included to such Working Group and participated in its meetings and discussions. She also held discussions regarding amendments to the Tax Code during the meetings with the representatives of the Ministry of Finance, Tax Authority, and CSOs. UCIPR will continue to make advocacy efforts in order to adopt the draft law developed by UCIPR team. It is expected that this draft law would be adopted at the end of 2016.

At the beginning of the third year of the project, the campaign for adoption of the law will be continued, and consultations with MPs on submission of amendments to the Tax Code will be initiated. MPs broad coalition in support of the draft law will be created and draft laws will be submitted for the parliament consideration. The project team will advocate for quick consideration and adoption of amendments to the Tax Code regarding taxation of charity in the first and the second reading.

After the adoption of the Law on amendments to the Tax Code, a leaflet with arguments in support of introducing the Amendments to the Tax Code regarding tax incentives for charity will be developed and published. The leaflet will be disseminated among NGOs and decision-makers to promote proposed draft law. Two media events in support of amendments to the Tax Code (on taxation of charity) will be organized before the first and the second reading of the draft law in the Parliament. Events will be organized to initiate public pressure and to force the parliament to adopt respective draft law.

Promoting local democracy tools at the local level

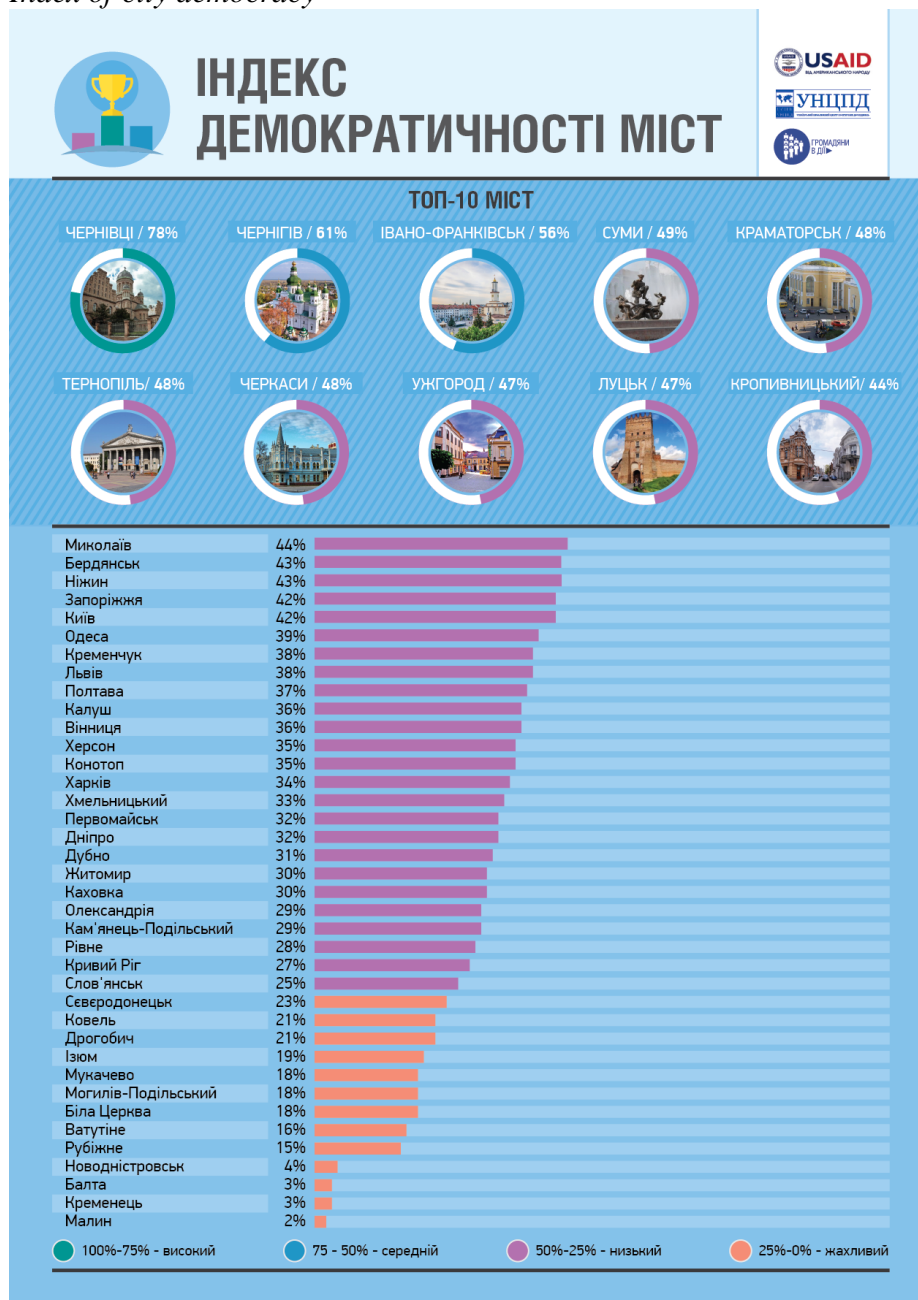
The project team analyzed the situation with local democracy in Ukraine and implication of legal mechanisms for local democracy in cities of Ukraine for ensuring transparency and accountability of local self-government bodies. During October 2015 – March 2016, three experts conducted research on “Monitoring of legal environment for local democracy mechanisms in Ukraine” and developed the research methodology for conducting analysis of the legal environment for introducing 20 instruments of local democracy in Ukrainian cities. The local democracy instruments ensure openness and transparency of the local councils, as well as the accountability of the members of the local councils and city mayors.

The research covered 48 cities of Ukraine, including oblast centers and the biggest cities in each oblast. Based on the methodology, request for information was developed and submitted to the local

self-governance bodies. After the information was provided, experts analyzed the local democracy mechanisms and legal acts, which regulates the work of the city councils, including:

- Territorial Community Charter;
- Local act on local initiatives;
- Local act on public hearings;
- Local act on public expertize;
- Local act on reporting of city mayors and local council members;
- Local act on town hall meetings;
- Local act on e-petitions;
- Local act on public consultations;
- Local act on participatory budget;
- Rules of procedures of the executive committees of local councils;
- Rules of procedures of city councils;
- Rules of procedures of permanent commissions of local council members;
- Local act on assistants of local council members.

Index of city democracy



Following the monitoring, recommendations regarding improvement of the local democracy were developed and provided to local self-government bodies of 48 Ukrainian cities. The

recommendations provided for improving legal environment for local democracy, ensuring transparency and openness of local councils. In addition, the results of the monitoring were presented during the XII Ukrainian Municipal Forum organized by the Association of Ukrainian Cities in Odessa on June 21-23, 2016, which was attended by MPs, member of the Cabinet of Ministers, more than 250 city mayors and members of local councils. During the Forum, UCIPR build cooperation with city mayors and representatives of local self-government bodies in the area of strengthening local democracy in Ukrainian cities.

Finally, interactive map was developed that shows the results of research and contains expert assessment per each city.

Efficient Local Council Partnership

In October 2015, UCIPR and Institute of Political Education established Efficient Local Council Partnership. The Partnership is aimed at developing model local acts for introducing mechanisms of local democracy, ensuring openness and transparency of the local councils, as well as accountability of the members of local councils and public officials of local self-government authorities.

In December 2015, 12 most important local acts were drafted for the local self-government bodies. This package contains the following documents:

1. Rules of Procedures for Local Council;
2. Typical Amendments to the Rules of Procedures for the Executive Committee of Local Council;
3. Regulations on Permanent Commissions of Local Council;
4. Regulations on Assistant of Local Council Member;
5. Regulations on Local Initiatives;
6. Regulations on Informing about Operation of Public Utilities Companies;
7. Regulations on E-Petitions;
8. Regulations on Public Hearings;
9. Typical Amendments to Territorial Community Charter;
10. Procedures for Reporting of Community Head, Executive Committees, Permanent Commissions and Local Council Members;
11. Regulation for Public Consultations;
12. Regulation on procedures for Conducting Public Expertise for Assessing of the local self-government bodies and public officials.

Developed regulations take into consideration the best practices, new standards of local democracy in Ukraine and all legislative acts of Ukraine, including Laws on Local Self-Governance in Ukraine, on Status of Local Council Members, on Access to Public Information. The draft regulations were distributed among all local self-government bodies and major political parties (Petro Poroshenko Bloc (Solidarity), Batkivshchyna, Self-Reliance, Democratic Alliance, People's Force).

The model draft regulations were developed for Kuznetsovsk City Council (Regulations on public consultation, on procedures for reporting of mayor and local council members, on public expertise); Zhytomyr City Council (Regulations of Public Participatory Budget); Ivano-Frankivsk City Council (Regulations on Public Budget, on e-procurement, on procedures for reporting of local council members and executive bodies, on publication of financial declarations of local council members); and Uzhgorod City Council (regulations on public participatory budget). Currently, these draft regulations are under consideration of the local councils and will be adopted during next sessions.

In the framework of the Efficient Local Council Partnership, UCIPR and Institute of Political Education developed second package of the model regulations, necessary for local self-government bodies, namely:

1. Regulations on Town Hall Meetings in the Area of Residence;
2. Regulations on Participatory Budget;

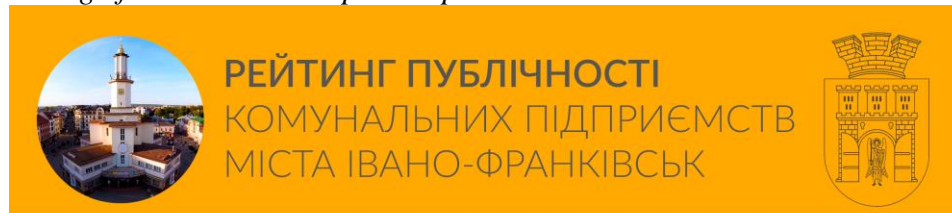
3. Rules of Procedures of Executive Committee;
4. Regulations on Steering Committee of Public Utilities Companies.

Developed model acts were offered to the local self-government bodies for their adoption and implementation. UCIPR provided support in the course of the local acts harmonization and adoption in the following pilot cities:


1. Zhytomyr and Uzhgorod: UCIPR developed local acts on participatory budget for both city councils. The acts were adopted by the city councils at their sessions. Currently, the local council is in the process of its implementation.
2. Lviv: UCIPR developed local act on participatory budget the city councils. The act was adopted by the city council at its session. Currently, the local council is in the process of its implementation. UCIPR provides supports to the city council in implementation of the local act. For this purpose, it developed and printed information materials and booklets about participatory budget in Lviv city. 2000 copies of materials were provided to Lviv city council.
3. Vasylkiv (Kyiv oblast): UCIPR developed local act on local initiatives and local act on public hearings. The local act on local initiatives was approved by the local council.
4. Mykolayiv: UCIPR developed local act on public hearings, which was approved by the city council.
5. Zaporizhzhya: UCIPR developed local act on participatory budget (approved by city council) and recommendations to the Rules of Procedures for Zaporizhzhya City Council in the part of ensuring transparency and openness of the city council (the majority of UCIPR proposals taken into consideration). Currently, the local council is in the process of implementation of the participatory budget.
6. Kryvyi Rih (Dnipro oblast): UCIPR developed local act on local initiatives (at city council consideration). It is expected that it will be approved in October – November 2016.
7. Rivne: the project team developed the proposals to the new version of the Rules of Procedure of Rivne City Council, most of them were taken into consideration by the city council in the approved act.
8. Bila Tserkva (Kyiv oblast): it was developed local act on participatory budget.

In addition, during July 1 – 31, 2016, UCIPR in partnership with the Institute of Political Education, Transparency International Ukraine, Center of Political studies and Analysis (Ivano-Frankivsk) conducted research regarding transparency and openness of the Communal Enterprises in Ivano-Frankivsk, Lviv, Uzhgorod, Ternopil, Rivne and Chernivtsi.

Based on the results of the research, Communal Enterprises in the above-mentioned cities were ranked in terms of transparency and openness, information and analytical materials were developed. In addition, the results of the research served as a ground for developing draft local act of the local self-government bodies on ensuring transparency and openness of the communal enterprises. The draft local act was provided to the local self-government bodies for its adoption.



 **Період дослідження:** 1 – 31 липня

 **Методи дослідження:** запити на інформацію/моніторинг сайтів КП та міських рад. Оцінювання відкритості роботи проводилося відповідно до 20 індикаторів



Conference on strengthening local democracy in Ukraine

On July 8-9, 2016, USAID “Citizens in Action” Project (UCIPR) organized conference on strengthening of local democracy in Ukraine and strategic session of the coalition for local democracy. It was attended by 30 participants from different cities of Ukraine dealing with the local self-governance and local democracy. During the conference, the participants developed new agenda for civil society and local self-government bodies in regards to the introduction of the principles of democratic governance in cities: transparency, accountability, and civic participation. In addition, they discuss how to strengthen democracy at the local level in the three areas, including:

1. Strengthening mechanisms of local democracy and improving citizen participation in decision-making;
2. Ensuring transparency and oversight over budget process;
3. Ensuring transparency and oversight over communal assets and communal enterprises.

In the course of the conference, three groups of experts identified best practices of democratic governance in the cities per areas: local finances, communal enterprises and communal property;

local democracy and citizen participation in decision-making at the city level. They also set priorities in the area of legislation development for the local self-government bodies and for strengthening local democracy (legal acts required for introducing local democracy mechanisms). Finally, they identified the list of legal acts, which has to be developed for local self-government bodies.

During the strategic session, the participants also agreed about coordination of efforts and joint work on the strengthening democracy in Ukraine. In addition, memorandum on cooperation was signed and coalition for local democracy “Efficient Local Council” was established. Joint group “Efficient Local Council” was created in social media to simplify communication and information exchange.

UCIPR will coordinate the efforts of the regional experts towards strengthening local democracy and support local self-government bodies in development of the legal acts for improving local democracy in Ukraine.

Conference on strengthening local democracy in Ukraine



Analytical report “Index of Cities Democratic Nature”

In September 2016, the project team prepared Analytical report “Index of Cities Democratic Nature” based on the research of legal regulation of local democracy mechanisms in 48 Ukrainian cities. The report was supplemented by 15 infographics, which represent rating of cities democratic nature per each city and unified index of the Cities Democratic Nature.

During the research, legal procedures for local initiatives, public hearing, e-petitions, participatory budget, city council rules of procedure, rules of procedure of executive committee, etc. were evaluated.

The analytical report on the research results was published and distributed among target audiences. It contains clear recommendations regarding necessary improvements to be introduced in legal regulation of the local democracy mechanisms of 48 cities. The analytical report was also published on the UCIPR website and sent out to local self-government bodies and local CSOs.

Conference on Local Democracy and Local Referendums in Ukraine

The issue of local referendum is still quite controversial and there is critical perception due to the conflict in some rayons of the Donetsk and Luhansk oblasts. Therefore, MPs are not raising the issue of introducing the mechanisms of local referendum in Ukraine. Moreover, the issue of local referendum is also envisaged by the Concept of reforming of local self-governance and decentralization. However, the adoption of the Law on Local Referendum is envisaged after completion of voluntary community amalgamation and administrative reform in 2015 – 2016.

Taking into consideration the above-mentioned factors, the Round Table on Local Democracy and Local Referendums in Ukraine was decided to postpone until the end of 2016 and gather all interested parties (MPs, representatives of local self-government bodies. Regional NGOs and experts).

At the same time, UCIPR will continue to work on development of analytical materials and hold awareness and information campaigns before launching advocacy campaign for adoption of the draft law.

Development of draft law on freedom of peaceful assembly

In the course of 2015, UCIPR and partner CSOs developed draft law on the freedom of assembly. The Head of the Parliamentary Human Rights, National Minorities and Interethnic Relations Committee and co-authors registered the Draft Law No. 3587 in the Ukrainian Parliament. The draft law envisages the procedure of notification of the local authorities on the intention to hold an assembly 48 hours in advance, allows for the spontaneous assemblies and protects counter-assemblies. In early July 2016, the draft law was submitted to the Venice Commission for it to provide its expert opinion.

In the light of the above developments, it was decided to hold a conference dedicated to the issues of the freedom of assembly in the beginning of October 2016 in the partnership with European Union Advisor Mission. Therefore, in July – September 2016 a number of measures were taken in the framework of the preparation to this event, including meetings with the representative of the EUAM in Ukraine, draft conference outline and agenda.

Moreover, a meeting with the members of the Freedom of Assembly Network, comprising of the representatives of the domestic NGOs involved in the topic of freedom of assemblies, was organized and held. The meeting was important for the participants to discuss the current situation, measures taken by the members on their own and to reach agreement on the joint position of the Network that could be presented during the event.

Objective 2: Capacity of public officials and CSOs to ensure effective implementation of legislation and policy increased

The earlier adopted progressive civil society legislation was a significant step forward, but it would not improve the regulatory environment unless legislation is properly implemented. Organizations and public officials at the local level are often uneducated about new legislation and lack skills, capacity and support to effectively implement or use it at the working level. Further, civic and governmental stakeholders do not often monitor outcomes of implemented regulations in order to make adjustments and improvements. Therefore, it is important to assist local stakeholders in meaningful implementation and use of civil society enabling legislation and policy through awareness-raising, technical support and monitoring efforts.

During the reporting period /second year, UCIPR educated stakeholders on key issues in NGO enabling legislation. Its awareness raising included the following laws and mechanisms:

- Legislation on Public Associations and Public Councils;
- Tax incentives for non-profits and charitable organizations
- Introduction of new legal instruments (e.g., endowments) outlined in the Law on Charity and Charitable Organizations; and
- Opportunities for increased access to information and participation in government policy and decision-making through recently adopted legislation.

Additionally, UCIPR continued to administer hot line to provide support to CSOs, published brochures, and infographics and used new information and communication technologies to explain new legislation and its implication.

Moreover, it provided consultations, methodological recommendations and organized Forum for NGOs and public officials regarding proper implementation and use of new legislation. UCIPR provided legal assistance to NGO partners related to NGO functioning and operation. UCIPR provided legal assistance to NGO partners related to NGO functioning and operation. In addition, it supported local NGO partners in the regions to create resource and support centers to provide legal consultations to NGOs on different civil society enabling topics.

Finally, UCIPR monitored the implementation of civil society enabling legislation at local and national levels.

Results

- 2.1. Newly adopted progressive legislation and policies related to civil society properly implemented (i.e., Laws on Public Associations, on Charitable Foundations and on Access to Public Information, and the Strategy on State Policy for Support of Civil Society Development)
- 2.2. CSOs better informed about the improved legislative enabling environment
- 2.3. CSOs increase use of the improved legislative enabling environment
- 2.4. Implementation capacity of public officials improved
- 2.5. Procedures for citizen participation in local decision-making improved
- 2.6. Citizens better informed about opportunities to participate in local decision-making

Indicators

- Number of unlawful registration rejections of public associations
- Number of consultations on CSO legislation provided to public officials and CSOs
- Number of methodological recommendations¹⁰ developed for public officials and CSOs
- Number of training days (on CSO legislation) provided to public officials and CSOs
- Number of CSO legal aid offices or center in the regions
- Number of regional legal support coalition members

Activities

In 2015-2016 UCIPR conducted the following activities envisaged by the Objective 2.

Expected result 2.1: Newly adopted progressive legislation and policies related to civil society properly implemented (i.e., Laws on Public Associations, on Charitable Foundations and on Access to Public Information, and the Strategy on State Policy for Support of Civil Society Development).

UCIPR monitored whether the Laws on Public Associations, on Charitable Foundations and on Access to Public Information, and the Strategy on State Policy for Support of Civil Society Development are properly implemented. It also trained CSOs to use instruments provided by CSOs enabling environment legislation (i.e., Laws on Public Associations, on Charitable Foundations and on Access to Public Information, and the Strategy on State Policy for Support of Civil Society Development). It also monitored the implementation of civil society enabling legislation at local and national levels. This was done through in-house monitoring, analysis, and partnership with other NGOs and public officials. UCIPR encouraged partner organizations to improve their monitoring and oversight capacities through NGO Capacity Building Marketplace.

Ensuring proper implementation of new tax legislation for non-profits

Starting from October 2015, UCIPR launched awareness campaign on new tax legislation for NGOs, which includes presentations on entrepreneurial activities of NGOs. Awareness campaign on a new regulation on non-profits will be held when appropriate by-laws and official consultations (the Ministry of Finance, the Tax Authorities) that ensure implementation of new provisions of the Tax Code regarding non-profits are adopted and the Tax Authorities have good understanding of the appropriate NGOs rights.

During October – December 2015, the program team advocated for establishing of monitoring committee at the Presidential Administration for proper implementation on new tax legislation for NGOs. The working group was created on an informal basis and is not operational until by-laws with new regulations for non-profits are adopted. UCIPR will continue to advocate for launching of the work of the committee and for including the project experts in monitoring committee. In addition, the project experts will take part in reviewing and resolving complains of NGO on improper application of new tax legislation.

Analysis of situation with the implication of the Law on Public Associations

Project Experts constantly communicate with the representatives of responsible departments of the Ministry of Justice. The team systematically informed the Department of State Registration on typical issues and problems in the course of the CSO registration. Our team also managed to arrange the meeting with the Ministry of Justice and State Fiscal Service regarding the procedures for registration and acquisition of non-profit status through the “single window” system.

In addition, UCIPR team published interview and blogs of Anastasiya Shymchuk, expert in CSO registration, to provide additional explanation about new registration procedures. She also held a webinar “How to register civil society organization” on the ISAR/Yednannia platform.

In January 2016, Anastasiya Shymchuk, delivered training on the new procedures for CSO registration to the representatives of the Helsinki Human Rights Union, upon the invitation of the Compass Auditing Firm. The training included new requirements to CSO registration, new deadlines for harmonization of the statute documents in compliance with current legislation.

Taking into account the demand for information about new registration procedures for CSOs and charitable organizations, we developed infographic that described the major innovation in a simple way.

Ensuring proper implementation of new CSO legislation

During May – September 2016, the project team conducted monitoring of the legislative proposals related to CSO registration, including the following legislative acts:

1. Law of Ukraine on Amendments to the Law on Public Associations (regulating the activities of national associations and their local branches with the status of legal entity). The draft law was registered on June 15, 2016 by the group of MPs (Dmytro Dobrodomov, Yaroslav Markevych etc.) and it proposed to replace the term “separate units” by “local branches of public associations (regional, district, city) with the legal status and without legal status. The purpose of such changes is to preserve the legal status of local branches that operated before the enactment of the Law of March 22, 2012. Thus, MPs want to reinstate the independent status of local branches. Having analyzed the draft law, the UCIPR experts concluded that it would not be appropriate to introduce the proposed changes and informed the Ministry of Justice of Ukraine about it.
2. Law of Ukraine on Amendments to Certain Legislative Acts of Ukraine on Participation of NGOs in Implementation of Public Assignments and in Provision of Public Services. The draft law was registered on June 17, 2016 by group of MPs (Alyona Shkrum, Iryna Podolak, etc.) The draft law aims to identify public assignments and forms of CSOs engagement. In particular, the draft law defines the following forms of CSO engagement in the implementation of public tasks:
 - Attracting of public funding for CSOs for the implementation of public assignments, envisaged by organization charter;
 - Providing support to CSO initiatives by the executive authorities and local self-government;
 - establishing of advisory bodies by the executive, local authorities and CSOs;
 - CSOs involving for drafting and analyzing of the legislative acts and other documents by the executive authorities and local government associations;
 - Organizing thematic round tables, seminars, conferences, forums and public hearings.

The project experts support the proposed changes to the Law of Ukraine on Public Associations, the Law of Ukraine on Voluntarism, and the Law of Ukraine On Charity and Charitable Organizations as they are convinced that such changes will allow to involve civil society to resolution of existing problems and in the same way to intensify social dialogue, stimulate civil society development and increase community social responsibility.

3. Law of Ukraine on Amendments to Certain Legislative Acts of Ukraine (regarding the establishment of special requirements for names of legal entities and associations). The project was registered on April 12, 2016 by a group of MPs (Victoria Ptashnyk, Alyona Shkrum, etc.).

The purpose of the draft law is to prevent the use of “territorial community” in the names of legal entities and civic associations to avoid misinterpretation and treating such legal entities as amalgamated territorial communities. The project experts support the proposed changes to the Law of Ukraine on Public Associations and the Law of Ukraine on State Registration of Legal Entities, Private Entrepreneurs and CSOs as they convinced that the bill will promote the stability of government, civic environment and development of Local Government.

Expected result 2.2: CSOs better informed about the improved legislative enabling environment.

UCIPR educated stakeholders on key issues in NGO enabling legislation. It conducted trainings on recent civil society enabling laws and decrees as well as the main changes brought about by new legislation, such as Law on Public Associations; Decree No. 996 on Public Councils; new Tax Code and new legal instruments (e.g., endowments) outlined in the Law on Charity and Charitable Organizations. UCIPR provided legal assistance to NGO partners related to NGO functioning and operation.

Development of information materials for improving awareness among target audience

During the reporting period, UCIPR team developed and disseminated around 2500 information stickers about availability and functioning of hotline for public associations and charitable foundations and 1000 business cards with hotline contacts. The information stickers contained information about hotline for providing consultations on registration of CSOs and charitable organizations. The stickers were disseminated among CSOs, Charitable Foundations, Registry Offices and local self-government bodies during project and partners' events.

In addition, on December 2015, UCIPR prepared and published two editions of the Civil Society Magazine. The magazine reviewed year's achievements and set forth the plans for civil society in Ukraine. Moreover, magazine editorial team described the most interesting startups of civic activists and informed about the changes in legislation regarding CSOs. The focus was on the following Laws: Law on Freedom of Peaceful Assembly, Law on Local referendum and Amendments to the Law on CSO Registration⁶.

Civil society magazine



The magazines contains information about changes in legislation regarding CSOs activity, best practices of civil society development at the local level, local democracy instruments, and right for peaceful assemblies and analysis of civil society in Ukraine. The magazines are disseminated among CSOs leaders, ministries and MPs, mayors, governors, and projects of international technical assistance projects.

UCIPR team also developed and printed a series of information materials for CSOs and public officials. In particular, it developed nine booklets on registration of CSOs, charitable and volunteers' organizations. One leaflet on registration of CSO and charitable organizations was printed and disseminated among targets audiences. The printing of the other materials was postponed due to that fact that the improving of CSO registration is still in the process and UCIPR expert was included into the working group for preparing proposals for the amending Law on State Registration in the part of state registration of CSOs.

⁶ http://www.ucipr.kiev.ua/userfiles/!N5_GS_Book_www.pdf



Moreover, the model amendments to the statutes of public associations and charitable foundations were developed by the project team in compliance with the last amendments to the Tax Code and its requirements to the statutory documents in order to obtain non-profit status) by the UCIPR team. Such statutory documents are available online at the UCIPR website. At the same time, taking into account the established working group on June 17, 2016 for developing proposals to the amending Law on State Registration in the part of CSO registration, UCIPR experts proposed official approval of the organizational charters and other registration documents. Thus, on August 19, 2016, methodological recommendations regarding collaboration among territorial justice departments, administrative services centers and centers of free secondary legal assistance in the course of CSO registration. Annexes 2- 8 to these recommendations approved model registration cards⁷. Charters submitted for consideration of the working group in September 2016. It is expected that they will be approved soon.

Finally, the UCIPR team developed Outreach video clip for citizens “Be an active Citizen” and the web portal of civic activist “Guidelines for Civic Activist”⁸. The main purpose of both products was to explain citizens why it was so important to be involved in civic activism, establish CSOs and use instruments of local democracy to control local authorities (e-petitions, local initiatives and participatory budgets)⁹.

Hotline on CSO registration and operation issues

During the reporting period, UCIPR continued to administer hot line for assisting CSOs, charitable organizations and volunteers on application of the Laws on Public Associations, on Charitable Foundations, Volunteerism, and new tax legislation for non-profits and on amending statutes

⁷ https://drive.google.com/file/d/0B8u_pYIkoApyOHpYR05ULW5JV1E/view).

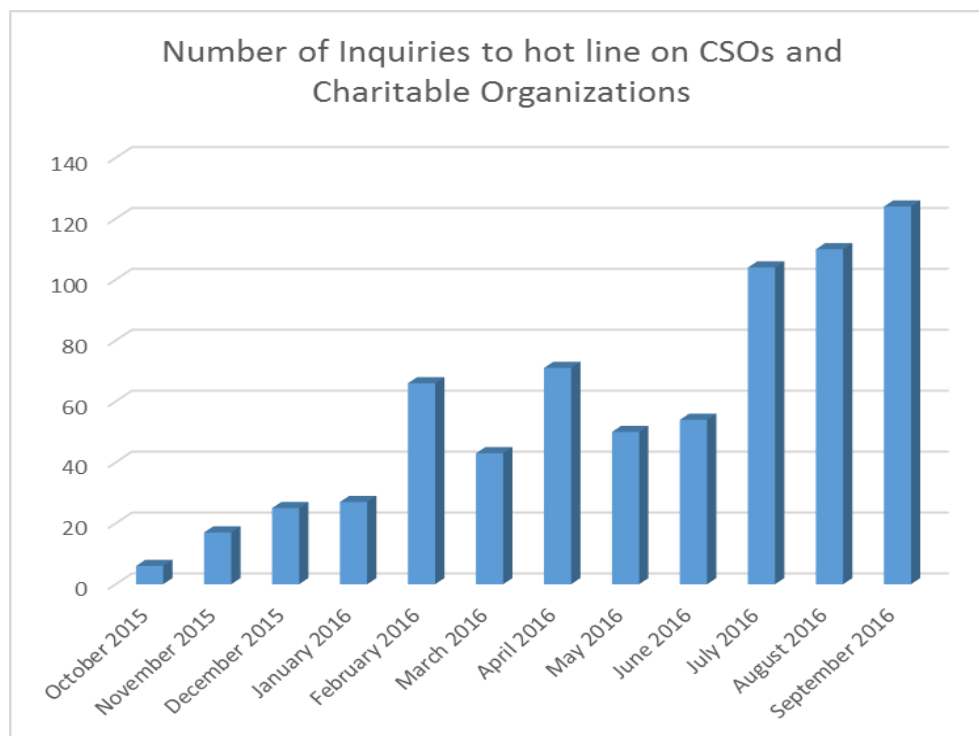
⁸ <http://dovidnyk.org.ua/>

⁹ <https://www.youtube.com/watch?v=83tY8Sd7qjs>

according to new Tax Code. In addition, the hotline was a valuable resource for those CSOs that were registered on the territories uncontrolled by the Ukrainian authorities. Hotline provided information through phone, email, Facebook, and Google forms. The hotline launched last year, extended the number of issues on which you can receive consultations. In addition to CSO registration, it provides consultations regarding volunteerism, peaceful assemblies, tax regime for CSOs and charitable organizations. UCIPR engaged a separate expert responsible for hotline administration, gathering of information, making records of inquiries, preparing reports and FAQs.

The hotline was advertised and promoted using promotional strategy. The Strategy was handled by Ms. Yuliya Lytvynenko, Hotline Administrator, who processed requests and inquiries.

During the last year, hotline received about 700 inquiries. After adoption of the new Law on registration of Legal Entities, Private Entrepreneurs and CSOs and the new Procedures for non-profit registry maintaining, the number of inquiries to hotline increased four times (see diagram 1).



The majority of inquiries were from women (women 52%, men 48%) and women are better represented in civil society organizations. In terms of the regional representation, Kyiv City and Kyiv oblast were the most active. However, we received inquiries from all regions, including Lviv, Mykolaiv, Zhytomyr, Kharkiv, Donetsk oblast etc.

New regulation for registration of CSOs and charitable organizations and procedures for maintaining non-profit registry adopted on July 13, 2016 increased the number of inquiries regarding registration, inclusion into non-profit registry and statutory documents amending in accordance with the Tax Code requirements (have to be introduced before January 1, 2017).

In addition, starting from January 1, 2016, new registration procedures for CSO entered into force. From that moment on, registration of CSOs and charitable organizations is regulated by the Law on Registration of Legal Entities, Private Entrepreneurs and CSOs (Law No. 755-IV). At the same time, specific laws regulating operations of the civil society organizations and charitable organizations include the Law on CSOs and Law on Charity and Charitable Organizations.

Furthermore, at the beginning of year, the Cabinet Decree No. 99 of February 11, 2016, liquidated rayon and city departments of justice which were processing documents for CSO registration. This function was transferred to Main Territorial Departments in oblasts. Administrative Services

Centers and centers of free secondary legal assistance were identified as front offices for CSO registration (Ministry of Justice Order No. 1717/5 of June 17, 2016; Ministry of Justice Order No. 359/5 of February 9, 2016).

Therefore, the most common issues addressed to the hotline were about new procedures for registration and package of documents to be submitted for registration. Hotline inquiries were not only limited to the new regulations, though, but also include questions regarding organization and legal form of the future organization, structure of governing bodies, name and location of organization, harmonization of the Charter, obtaining or preserving non-profit status etc.

Hot line collects information on centers work in the area of CSO registration throughout the country. As example, it was identified that Administrative Services Centers do not process documents for CSO registration in some cities, including Bucha, Vasylkiv, Obukhiv (Kyiv oblast); Truskavets, Drohobytch, Sambir (Lviv oblast); Lubny (Poltava oblast); Malyn, Popilnya, Zhytomyr (Zhytomyr oblast); Kharkiv. And Centers of Free Secondary Legal Assistance do not process documents for CSO registration in such cities as Lubny (Poltava oblast), Nova Kahovka (Kherson oblast).

The materials of hot line were distributed during the 1st Oblast Youth Forum “Road to Youth of Lugansk Oblast” held on July 29, 2016 in Severodonetsk. It was aimed at solving problem of introducing single approach to youth policy, culture and sport in Luhansk oblast. The Forum was organized with the support of Chemonics International and Luhansk Branch of Association of Ukrainian Cities under USAID Project “Luhansk Unites: Building Public and Civic Dialogue”.

Finally, the materials about hot line were distributed by partner CSOs in all oblasts of Ukraine, including in Volyn, Donetsk, Luhansk, Chernihiv, Lviv oblasts.

Regional seminars on new registration procedures

During reporting period the UCIPR team held three regional seminars on new registration procedures for CSOs and charitable organizations introduced with the new Law on Registration of Legal Entities, Private Entrepreneurs and CSOs. The seminars were aimed at explaining new regulations for CSOs or charitable organization registration, which differ from existing ones, and consulting CSOs how to register organization without serious delays.

In March 2016, such regional seminar “Legislation for CSOs” were held in Chernivtsi. During the event, local activists explained which changes in the legislation they expected to be more efficient.

Regional seminar in Chernivtsi



On January 29, 2016, a team of USAID in partnership with the public union "Youth Platform» Lutsk hosted a workshop for 20 young people aged 16-25 years on the registration of CSOs. During the event, participants learned about developing statutes to specify in the Constitution to obtain charitable status, filling in documents for the state registration of the information to be contained in the minutes of the general meeting of founders.

Regional seminar on CSO registration in Lutsk

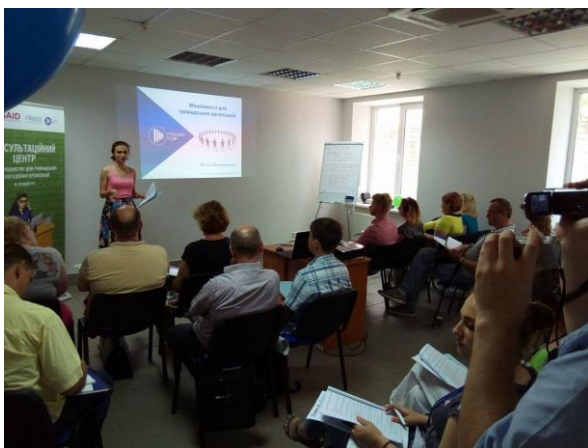


The seminar was highly assessed by the participants and UCIPR received positive feedback.

Seminar on CSO Registration in Kryvyi Rih

On June 23, 2016, UCIPR held a Seminar “How to register a civil society organization in Kryvyi Rih city” was held in the premises of the Legal Advisory Center for civil society and charitable organizations (36/1 prospekt Metallurgiv, Kryvyi Rih, June 23, 2016, 10 am to 2 pm).

The Seminar was attended by 24 people who took active part in the dialogue and displayed interest throughout all sessions. During the Seminar, Starosolska, Manager on CSO Registration, presented CSO registration process according to new laws” and provided expert responses to questions raised by civil activists during the event. Mariya Volynets, consultant on CSO registration in Kryvyi Rih, made explained how to get a non-for-profit status. Yuliya Lytvynenko went on to present on practical activities of CSOs and responded to questions raised by participants (related to activities of non-for-profit organizations, structure of CSO, governing bodies, available opportunities for CSO developments).



UCIPR team noted that there was high demand for training activities and consultations, in particular on registration of CSOs and charitable organizations, tax legislation for CSOs, organizational development, project and financial management.

Seminar on Taxation of Non-Profit Organizations in Ivano-Frankivsk

On June 30, 2016, UCIPR held a Seminar on Taxation of Non-Profit Organizations: from establishment to filing of accounts in Ivano-Frankivsk. Seminar was attended by 25 representatives from businesses, various civil society and charitable organizations of Ivano-Frankivsk city and the region as well as officials of the State Fiscal Service of Ukraine and Main Regional Department of Justice in Ivano-Frankivsk region. Seminar participants also included representatives of organizations working with disabled and internally displaced people.

During the seminar, participants discussed Tax Code of Ukraine requirements related to non-profit organizations, the procedures for bringing the statutes in line with the requirements of the Law of Ukraine “On Civil Society Organizations” and the Tax Code of Ukraine, new Procedures for listing in the Register of non-profit organizations and nuances of accounting by non-for-profit organizations.

In the course of the seminar, further cooperation with the local CSOs was agreed.

Regional seminars on new registration procedures

During the second year, UCIPR organized a series of regional seminars on new registration procedures for CSOs and charitable organizations introduced with the new Law on Registration of Legal Entities, Private Entrepreneurs and CSOs. The seminars were aimed at explaining new regulations for CSOs or charitable organization registration, which differed from existing ones, and consulting CSOs how to register organization without serious delays).

On June 7, 2016, UCIPR held regional seminar “Novation in CSO registration: benefits and minuses of the Law on State Registration” in Lviv. The seminar was organized with the support of Lviv Main Territorial Justice Department. It was attended by Minister of Justice, Deputy Minister of Justice, Head of Main Territorial Justice Department in Lviv oblast, Deputy Heads of Main Territorial Justice Department in Lviv oblast, heads of units of Main Territorial Justice Department in Lviv oblast, managers of Administrative Services Centers in Lviv oblast, experts and civic activists.

Regional seminar on CSO registration in Lviv



During the event, it was identified main assignments which became the ground for the advocacy campaign for relaunching CSO registration by the administrative services center, such as:

1. approving technological and information cards for CSO registration;

2. building cooperation between front offices managers and public registrars.

In addition, two proposals for simplification CSO registration were identified by the Minister of Justice, including:

1. Holding a series of training for the staff of the Administrative Services Centers. Oblast Public Administration has to control this assignment implementation;
2. Centers for free secondary aid have to serve as front offices for CSO registration.

UCIPR experts also participated in the trainings for managers and public registrars of the administrative services centers. Thus, on July 21, 2016, UCIPR expert participated in the seminar “Acceptance and issuing the documents in the course of CSO registration by the Administrative Services Centers as front offices” organized for the employees of the Administrative Services Centers at Justice Department in Kyiv oblast.

During the training, participants discussed the provisions of the Law on State Registration of Legal Entities, Private Entrepreneurs and CSOs, Procedures for registration of legal entities, private entrepreneurs and CSO without legal status (approved by the Order of Ministry of Justice No. 200/28330 of February 9, 2016 (hereinafter – order on Registration) and demonstrated the process of acceptance and issuing the documents in the course of CSO registration with application of the software of Single State Register of the legal entities, prate entrepreneurs and CSOs. In addition, it was discussed complicated issues for CSOs and ways for their solution¹⁰.

Seminar of on CSO registration in Kyiv



On July 13, 2016, representatives of UCIPR and Ministry of Justice held training for the managers of the Administrative Services Centers on CSO registration in the premises of the Administrative Services Center in Kyiv. The training was attended by the representatives of Ministry of Justice, Main Territorial Department of Justice in Kyiv, etc.

¹⁰ <http://www.rs-kyivobljust.gov.ua/novini/v-upravlinni-derzhavnoji-rejestratsiji-gtuju-u-kijivskij-oblasti-provedeno-seminar-navchannja-na-temu-prijnjattja-ta-vidacha-dokumentiv-pid-chas-derzhavnoji-rejestratsiji-gromadskih-formuvan-tsentrarni-nadannja-administrativnih-poslug-jak-front-ofisami>

Workshops on burning issues in CSO legislation

In the framework of the project, the UCIPR team strengthens knowledges and abilities of partners and civic activists. To this end, workshops with practical cases were developed that gave opportunity to interact with each participant. These activities are in addition to trainings and consultations.

During the reporting period, the project team held five workshops on burning issues of legislation for CSOs, charitable and volunteer organizations and their operations. The workshops were an extension of the first year activities, which showed high demand for such practical trainings and positive results from such small groups training. During small workshops, there was a possibility to discuss all cases, to analyze all issues and to provide consultations to each participant. Besides that, the similar topics and issues helped build cooperation among participants.

The workshops “How to register CSO” held in Kherson (September 16, 2016) in Lutsk (September 27, 2016) which were organized together with the Kherson Oblast Administration provided training for 12 activists from Kherson City and oblast. Yuliya Lytvynenko, UCIPR consultant explained about 5 steps required for CSO registration, worked with the activists’ cases and provided recommendations for improving draft charters. In the course of workshop, the participants got aware of the package of documents required for CSO registration and they tried to complete registration forms. Ms. Lytvynenko explained risks and challenges which CSOs might face starting from January 1, 2017. She also provided recommendations regarding amending CSO charters for not-losing non-profit status, explained in what way the representatives of tax authorities had to inform about withdrawal of non-profit status and explained the what steps that had to be taken in case of withdrawal of non-profit status.

During the workshops, the UCIPR team provided samples of registration documents and other useful materials, as well as consulted participants after the workshop completion. The workshops are designed to be the most practical and the most useful and therefore they included work on practical cases, possibility to raise question, and discussions. It improved the capacity of the participant to legalize their work and to improve their communication among themselves.

Above-mentioned shows that the activists in all regions of Ukraine have the desire to establish CSOs and really care about non-profit status and therefore participate in training events on CSO registration, reporting and taxation.

All UCIPR workshops were highly positively assessed by participants.

2.2.5 Hold Winter School of Civic Engagement

Winter School of Civic Engagement

On February 16 – 19, 2016, the project team held Winter School of Civic Engagement, an educational project aimed at training representatives of initiative groups and small CSOs. The target audience included 25 civic activists from all regions of Ukraine. The four-day school was organized in the form of debates, lectures, work in groups, presentations of cases, completion of home assignments, integrational games and teambuilding.

13 speakers of the school covered such topics as how to be successful in civic activism; secrets of the cooperation with partners, media and authorities; how to “charge” your team to work; success stories from the “sharks” of civil society about golden rules of communication.

The target audience of the school were young people between 18 and 26 years with not very extensive experience but with good motivation to make changes in their own cities. 312 young people from all regions of Ukraine applied to School (13 people per one seat). After careful consideration of all applications, 24 people were selected to take part in the school. In addition, reserve list was formed in case selected candidates were not able to take part.

Summer School of Civic Engagement 2016

On September 9-11, 2016, USAID "Citizens in Action" Project held the Summer School of Civic Engagement in Bucha (Kyiv oblast), which brought together 25 participants from all over Ukraine who learned and practiced the basics of civic activism. Most of the participants were young activists 18 – 30 years old without extensive experience in civil society. The School designed for young and ambitious people who want to change the country for the better. The school aimed at teaching young activists how to be professional activists able to advocate for improvements at the local and national levels.

During three-day training, 23 participants from different regions of Ukraine who were selected on a competitive basis, had an opportunity to learn about running successful advocacy campaigns, establishing successful CSOs, influencing the government, implementing social initiatives, establishing successful CSOs, CSO PR and fundraising, and involving volunteers. Through debates, lectures, group works, presentations of cases, completion of home assignments, integrational games and teambuilding, experienced trainers taught the participants to become true activists.

The opening of the schools started with the greetings from Mr. Daniel Rian, Deputy Director, Office for Democracy and Governance, USAID and Mr. Maksym Latsyba, Chief of Party, USAID "Citizens in Action" project. Participants were motivated and inspired by success stories of unparalleled Ms. Anna Hopko, MP, and Mr. Alexander Solontay. Mr. Alexander Sanchenko showed the top of fundraising iceberg and Ms. Nina Hayevska shared her experience of social projects planning.

At the end of the first day, 25 new super-heroes of the civil society were charged with positive teambuilding from CSO "Dyvovyzhni" ("The amazing") who used their creative activities to bring participants together and revealed the concepts of team interaction, allocation of roles, communication between the leader and the team, goal and task setting. As a result, participants used their joint efforts to make the picture that reflected the daily work of the CSO.

Second day of the School was focused on the interaction with authorities. Andriy Osipov, an expert, Institute of Political Education, introduced participants to the system of local government. Ivan Lukerya charged participants with the tools of interaction and influence on authorities. Maksym Latsyba presented the concept of advocacy and shared personal experience of advocating civic initiatives at the national, regional and local levels. The last block of the second day was focused on organization and holding of efforts of direct action when Oleksiy Chornyi not only shared his expertise and experience, but also gave the home assignment to participants to prepare a direct action.

The third day started with the rally at the Bucha city council against restrictions of the rights of Bucha citizens to peaceful assemblies. Participants were assigned roles, prepared essentials, planned scenario and responded to provocations from Oleksiy Chornyi. Overall, the rally was a success and participants successfully managed the homework. Having finished the rally, analysis followed up and feedback was provided.

At the end of the School, Mr. Vladimir Sheyhus emphasized the importance of organizational development and told about the terms of cooperation with ISAR/Ednannia and our project team provided short information about the Project, possibilities for cooperation and how to engage participants into project implementation at the local level.

We expect that the participants will use this knowledge, contacts and experience to develop their NGOs and for reforming their regions and cities.

This year school demonstrated strong need in trainings among civic activists: UCIPR received 517 applications from all regions of Ukraine (205 from men and 312 from women). In the course of

selection process, 23 people were selected, including 9 men, 14 women, 1 LGBT representative, 1 ATO veteran, and 1 person with disability and IDPs.

School of Civic Engagement



Trainings, press conferences and media monitoring

During the second year, UCIPR conducted media monitoring of civil society and analysis of all references in media regarding local democracy instruments, civil society, and financial stability of organizations. It will give opportunity to correct such misinterpretations in the media.

On April 4, 2016, the project team organized training for journalists “How to write about civil society” which was aimed at raising media expertise and understanding in the field of civil society. Training covered two important issues: how to find interesting stories and interesting individuals among civil society representatives; and how to shoot and edit videos using smartphone or tablet only.

The training was attended by 25 journalists and bloggers from 12 cities of Ukraine (Kyiv, Zhytomyr, Nizhyn (Chernihiv oblast), Mykolaiv, Lviv, Bakhmut and Lysychansk (Donetsk oblast), Mariupol, Zaporizhzhia, Poltava, Ivano-Frankivsk and Vasylykivsk (Kyiv oblast).

Speakers at the event included Bohdan Kutepov (Hromadske TV), Nataliya Sokolenko (Hromadske Radio) and Maksym Latsyba (Reanimation Package of Reforms, Chief of Party, USAID “Citizens in Action” Project). Journalists of regional media were trained on how to find and interview interesting speakers from among the civil society representatives and how to shoot and make videos using mobile devices and what the civil society in Ukraine look like at present.

Training for journalists



Trainings, press conferences and media monitoring

In November 2015, UCIPR organized press conference devoted to civil society related issues. Restriction to freedom of peaceful assemblies by local authorities was selected as still important topic. The project team informed society and media about results of the court campaign ran in 6 regions, where local acts on restricting of freedom of peaceful assembly were adopted¹¹.

Press conference on freedom of peaceful assemblies



In November 2015, UCIPR held press-briefing voicing civil society demands to New Tax Code. During this event, Anastasiya Krasnosilska, project expert, stated major requirements to be included into the new Tax Code by MPs¹².

In December 2015, UCIPR presented Four Demands by Charities to the New Tax Code. During this event, representatives of charitable and volunteer organizations presented the list of demands/issues to be included in the new Tax Code. They also signed the memorandum between charitable and volunteer organizations regarding the support for these demands¹³.

¹¹<http://press.unian.ua/pressnews/1193814-pravo-na-mirni-zibrannya-v-regionah-zalejut-vid-politichnoji-voli-vladi-na-mistsyah-ekspert.html>

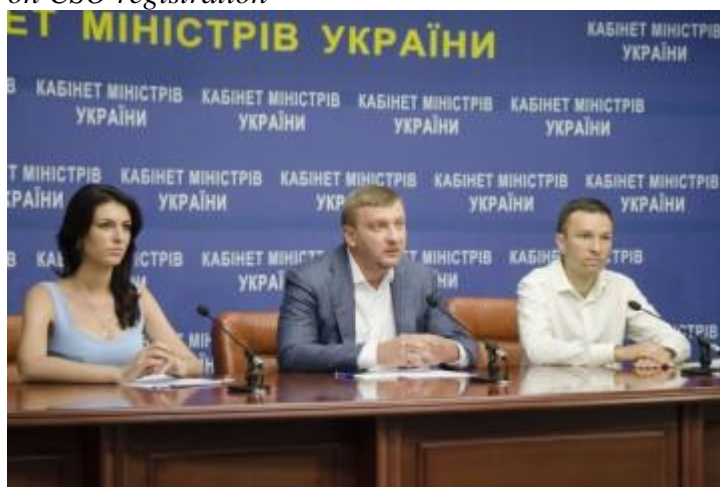
¹²<http://uacrisis.org/ua/37291-5-vimog-do-novogo-podatkovogo-kodeksu>

¹³<https://www.youtube.com/watch?v=n1DM8LR78sI>

In February 2016, a flash mob for organized in support of the Draft Law No. 3467 on charitable text messages (sms). It was attended by 40 representatives of charitable foundations and volunteer organizations that agreed to publicly speak about the need to develop SMS Charity and adoption of this Law¹⁴.

In July 5, 2016, UCIPR held press conference with the participation of Minister of Justice in press-center of the Cabinet of Ministers regarding CSO registration. During press conference, new pilot project for CSO registration via Centers of Free Secondary Legal Assistance (Front Offices) was presented. It was intended that any CSO could be registered not only in Oblast Departments of Justice but also in any of 100 Centers of Free Secondary Legal Assistance starting from July 24, 2016. Besides that, the UCIPR exerts presented information materials on CSO registration and identified the necessity to hold trainings for CSO, Front Offices and justice departments representatives.

Press conference on CSO registration



Expected result 2.3: CSOs increase use of the improved legislative enabling environment.

UCIPR provided consultations and trainings for both state and civil stakeholders on proper implementation and use of new legislation (e.g., trainings for tax officials and NGOs to insure legal status through new registration requirements). It conducted training sessions on the effective facilitation of Public Councils. These trainings brought together government officials, council members and NGOs to clarify their roles and improve their capacity in fulfilling them in order to ensure efficient and transparent councils.

These trainings brought together government officials, council members and NGOs to clarify their roles and improve their capacity in fulfilling them in order to ensure efficient and transparent councils.

Empowering NGOs for entrepreneurial activities

During February – September 2016, the project team in partnership with the Western NIS Enterprise Fund has developed the handbook on social entrepreneurship of NGOs that includes practical advice and legislation on social entrepreneurship activities and possible business models. Such handbook contains core information on main organizational legal forms of social entrepreneurship conduction, essential requirements for registration and providing activities as well as relevant tax regimes and their taxation specifics. It will be published in October – November 2017 and distributed through UCIPR partners and during the UCIPR public performances and trainings as well as will be made available online.

¹⁴ <https://www.facebook.com/citizensinactionUA/posts/1272074876141124>

Regional seminars on entrepreneurial activities of NGOs will be held within the third and fourth years of the Project. In this way, it is much important that relevant provisions of the Tax Code allowing such business activities for NGOs are effectively implemented, the Tax Authorities have good understanding of the appropriate NGOs rights, official consultations of the Ministry of Finance and the Tax Authority on these issues are adopted and certain positive practice exists.

UCIPR team will also continue to run relevant advocacy and awareness campaign with the public officials.

Establishing better communication between public officials and civil society activists

In October 2016, UCIPR held Civic Society Forum “Civil Society and Public Authority: Friends or Enemies” aimed at discussing the most burning issues of civil society in Ukraine. The Forum focused on the issue of whether civil society and public authorities were supportive friends or fighting enemies. During the Forum, National Civic Agenda was presented which served as the basis for the National Strategy for Civil Society Development.

The Forum brought together 226 participants, including MPs, representatives of Presidential Administration, Ministry of Justice, Ombudsperson office, civil society and media. Representatives of NGOs and public authorities held sectoral discussions on policy priorities for civil society development and together compiled National Civic Agenda, a list of tasks for renewed state policy for civil society development.



Examining the practices of implication of legislation on CSO registration

During May – September 2016, the project team held 2 monitoring for examining of practices for implication and implementation of legislation on CSO registration under the new legislation.

1. Monitoring of examining of practices of the CSO registration by the oblast territorial departments after the new legislation on CSO registration entered into force. The monitoring covered Lviv and Dnipropetrovsk oblasts. Based on monitoring, practices for implication of the legislation were evaluated. The monitoring showed that the legislation requirements were not applied by the Administrative Services Centers and Justice Departments and registration was impossible by Front Offices, however it limited the basic constitutional right – equality of rights and freedom of citizens.



2. Monitoring of the approval of information and technological cards by the Main Justice Departments. The results showed that Main Justice Departments approved different number of information and technological cards (for example, Main Territorial Department in Vinnytsya oblast approved 53 information cards and 51 technological cards by the Order No. 211/7 53 of July 20, 2016; Main Territorial Justice Department in Dnipro oblast approved 54 information cards and 52 technological cards, Decree No. 476/7 of July 18, 2016; Main Territorial Justice Department in Sumy oblast approved 52 information cards and 45 technological cards, Decree No. 72/07 of July 18, 2016).

The monitoring results were used in the course of the preparation of recommendations to the Ministry of Justice regarding providing unified list of services, obliged to adjust the number of technological and informational cards and amend information and technological cards.

As a participant of the Platform for monitoring of implementation of the National Human Right Strategy, UCIPR team conducted monitoring of the Strategy implementation in the part of freedom of peaceful assembly and freedom of association. Based on the results of monitoring, major issues in CSO registration were identified that were presented to the Ministry of Justice. Resolution of the above-mentioned issued was identified as priorities of working group under the Ministry of Justice.

Focus groups volunteers' problems

During November – December 2015, the UCIPR team held three focus groups to identify the problems in the volunteers' work. Focus groups were held in Kharkiv, Kyiv and Kramatorsk. Focus groups were organized in cooperation with experts from volunteer community. About 10 people

attended focus groups, including ATO volunteers. The results of the focus group were used for development of recommendations for amending the legislation on volunteerism.

In addition, on September 2016, the UCIPR team organized focus group and conducted online opinion survey to identify views of NGO leaders on implementation of European Convention on the Promotion of a Transnational Long-term Voluntary Service for Young People. In the course of focus group, the following burning issues were identified:

1. Special laws only partially govern the volunteers' status in Ukraine;
2. Numerous collisions of special norms and unjustified restrictions make impossible using of such norms for general legal regulation in this sphere;
3. Current Ukrainian legislation does not provide practical measures to efficient state support for volunteer activities.

Expected result 2.4: Implementation capacity of public officials improved.

UCIPR provided consultations and methodological recommendations to public officials on proper implementation and use of new legislation. UCIPR developed methodological recommendations for public officials and CSOs and provided training (on CSO legislation) to both public officials and CSOs.

2.4.1 Prepare explanatory notes to public officials regarding new registration procedures for CSOs

In May 2016, the UCIPR team designed and published information material for public officials on National Strategy for Promoting Civil Society Development, namely the interaction scheme of National Strategy for Promoting Civil Society Development in Ukraine in 2016-2020. The interaction scheme includes allocation of responsibilities between the President of Ukraine, Verkhovna Rada, Cabinet of Ministers of Ukraine, regional state administrations and other executive bodies, which are involved in the National Strategy's implementation. It provided explanation of Strategy's implementation by public authorities. Citizens have clear understanding of Strategy's implementation and can control it more efficiently owing to such information material.

Preparing explanatory notes to public officials regarding new registration procedures for CSOs

During the reporting period, the project team developed explanatory notes to public officials regarding new registration procedures for CSOs, which were introduced with the new Law on Registration of Legal Entities, Private Entrepreneurs and CSOs.

In addition, in the frameworks of the working group under the Ministry of Justice methodological recommendations were developed regarding collaboration of Territorial Justice Departments, Administrative Services Centers and Free Secondary Legal Aid Centers in the course of CSO registration (approved by MoJ on August 19, 2016). The recommendations are designed to identifying the procedures for interaction among administrators of Administrative Services Centers, Centers of Free Secondary Legal Aid and State Registrars in the course of CSO registration, including during accepting and issuing of documents for CSO registration.

The recommendations are aimed at improving accessibility of the CSO registration and increasing quality of administrative services for CSO registration¹⁵.

Regional seminars for tax officers

June 2016: the program team in cooperation with the Presidential Administration organized and held a one-day seminar on main issues of National Strategy for promotion of civil society

¹⁵ https://drive.google.com/file/d/0B8u_pYIkoApyOHpYR05ULW5JV1E/view

development in Ukraine. The main audience of the seminar were public officials of regional state administrations and NGO's leaders.

The seminar's purpose was to train public officials how to implement National Strategy for Promotion of Civil Society Development on the local level. During the seminar the following issues were discussed: formation of regional programs for promotion of civil society development and establishment of regional Coordinating councils.

The UCIPR team provided all participants methodological recommendations and consultations on proper implementation of National Strategy for promotion of civil society development on the local level.

Seminar on implementation of National Strategy for promotion of civil society development



Expected result 2.5: Procedures for citizen participation in local decision-making improved

Working groups were formed and drafts of local acts that regulate local democracies procedures were prepared and submitted to local councils in five pilot cities. As a result, citizens received simplified and available tools for participation in decision making on local level.

Advocacy Clubs for Improving Civic Activism

During the second year, UCIPR organized two advocacy clubs for civic activists from all regions of Ukraine. Advocacy clubs included two-day practical trainings for active citizens for improving their knowledge and skills in advocacy and in influencing local authorities. The target audience of the clubs included representatives of local organizations. The purpose was to create the network of regional civil society organizations to run advocacy campaigns in their cities. Besides that, regional CSOs defined the advocacy priorities for own cities and for the program team, namely introduction of mechanisms of local democracy, peaceful assemblies, social services, budgets, e-petitions, CSO registration etc.).

On December 22-23, 2015, UCIPR team organized and held the first advocacy club "Civic Engagement School: Advocacy Club". Advocacy club included two-day practical training for active citizens for improving their knowledge and skills in advocacy and in influencing local authorities. The target audience of this club included the representatives of local organizations. The purpose was to create the network of regional civil society organizations to run successful advocacy

campaigns and to carry oversight of local authorities. It was expected that after holding advocacy club and training of regional CSOs on how to run advocacy campaign, a network of local NGOs would be formed to run advocacy campaigns at the local level. After forming the network, UCIPR will help them run successful advocacy campaigns at the local level. UCIPR will provide consultative and expert support in the course of campaigns.

The selection process showed that there was a huge demand for such trainings from the side of CSOs and civic activists. 370 young activists from all region of Ukraine applied to the advocacy club. The selection of the participants was divided into two stages – reviewing of application and skype interviews. Only 21 participants from 16 cities of Ukraine were selected by the selection committee (17 candidates per 1 seat), including representatives of civil society organizations and movements, active citizens of territorial communities. The advantage of this advocacy club was the fact that it allowed representatives of small towns (Kahovka, Kherson oblast; Berdychiv, Zhytomyr oblast; Stryy, Lviv oblast) to take part in this training.

The training covered such issues as structure, functions, and powers of local authorities; media and mass communication; strategy and practice for running advocacy campaigns; forming of coalitions and building partnerships; instruments of civic lobbying.

1st advocacy club



On March 25-27, 2016, UCIPR team held second advocacy club “Civic Engagement School: Advocacy Club”. Advocacy club included two-day practical training for active citizens for improving their knowledge and skills in advocacy and in influencing local authorities. The target audience of this clubs was the representatives of local organizations. The purpose was to create the network of regional civil society organizations to run successful advocacy campaigns and to carry oversight of local authorities. It was expected that after holding the advocacy club and training of regional CSOs on how to run advocacy campaign, a network of local NGOs would be formed to run advocacy campaigns at the local level. After forming the network, UCIPR will help them run successful advocacy campaigns at the local level. UCIPR will provide consultative and expert support in the course of campaigns.

The selection process showed that there was a huge demand for such trainings from the side of CSOs and civic activists. Only 24 participants (out of 320) from 16 cities of Ukraine were selected by the selection committee (14 candidates per 1 seat) to participate in the advocacy club. The selection of the participants was divided into two stages – application review and skype interviews.

The advantage of the second advocacy club was the fact that the participants had an experience in running advocacy campaigns, in cooperating with local authorities and they are active citizens in their own cities.

In the course of advocacy club, the participants developed plan of own advocacy campaign to solve problems of their cities. In addition to practical assignment, they had an opportunity to learn more about structure, functions, and powers of local authorities; work with media; strategy and tactic for running advocacy campaigns; forming of coalitions and building partnerships; instruments of civic lobbying; cases of successful advocacy campaigns.

As an outcome of both advocacy clubs, a network of civic experts in advocacy was formed to support advocacy campaigns at the local level. Coordination and experience sharing will be secured by the newly established communication platform in Facebook and through Google groups.

UCIPR will continue to provide expert and information support to all participants of the network through providing support to advocacy campaigns.

2nd Advocacy Club



Based on the results of the advocacy clubs, the coalition of advocacy experts for advocating changed at the local level was established. The coalition members interact through communication platform where they communicate and share information.

The advocacy clubs' alumni are engaged in the UCIPR advocacy campaigns for introducing local democracy instruments at the local level and ensuring openness and transparency of local council work. As example, advocacy club alumni joined the advocacy campaigns in Khmelnytsky, Vasykiv, Lviv, Chernihiv etc.

Taking into account that representatives from all regions participated in advocacy clubs, it was possible to establish the Local Democracy Coalition. Further trainings will be conducted at the local level in the frameworks of the Local Democracy School (5 Local Democracy Schools will be organized during 2016 - 2017).

School of Local Democracy

During the reporting period, UCIPR organized two Schools of Local Democracy in Chernihiv (July 2, 2016) and Ivano-Frankivsk (July 23-24, 2016). Both Schools were designed to educate public activists, city council officials and members to apply the local democracy instruments efficiently.

The events were attended by 38 people (23 in Chernihiv and 15 in Ivano-Frankivsk), including civil society activists, members of political parties, members of city councils and deputy heads of the City Councils.

During the training, participants learned how to initiate and file local initiatives, to hold the public hearings and to conduct public expertise in Chernihiv, and how to control municipal enterprises and to combat corruption in municipal enterprises in Ivano-Frankivsk.

Pavlo Puschenko, Expert of Chernihiv educational center “Initiative”, who lobbied introduction of local initiatives and public expertise procedures in Chernihiv city, told about his experience of establishing contacts with the members of the city council and the city authorities and informed about procedures for public expertise approved by Chernihiv city council.

Issues of control over the activities of the city council and operations of the municipal enterprises were equally interesting to participants. Ivan Lukerya, expert of Ukrainian Center for Independent Political Research, told about passive and active methods of control and learned from the member of Chernihiv city council where one can get the minutes of the conciliatory board.

In Ivano-Frankivsk, the training covered such issues as new procedures to manage communal enterprises, in line with the Law of Ukraine “On Amendments to some Ukrainian regulations related to management of objects of the state and communal property”. In the course of training, the participants developed key provisions for 8 draft implementing regulations introducing tools for control, accountability and transparency and publicity of communal enterprises (draft regulations necessary to ensure transparency of communal enterprises). They also improved benchmarks for transparency and publicity of communal enterprises in compliance with the Law of Ukraine “On Amendments to some Ukrainian regulations related to management of objects of the state and communal property”.

Moreover, the press announcement and press release for the presentation of survey on publicity of communal enterprises were drafted and action plan to lobby for draft regulations on Procedures for making public information about communal enterprises was developed.

All the participants provided positive feedback and underlined the importance of issues discussed during training. They also offered to hold several days of School of local Democracy with an extended agenda and to share the plans of practical applications of the expertise acquired.

Round tables on introduction of local democracy tools

During December 2015 – September 2016, the UCIPR team held three round tables on introduction of local democracy tools in Zhytomyr (March 1, 2016), Ivano-Frankivsk (March 10, 2016), Vasylkiv (April 12, 2016), Rivne (April 18, 2016), Khmenlnytsky (May 12, 2016), Brovary (July 11), 2016. They were organized in cooperation with the local authorities for strengthening local democracy in Ukrainian cities, introducing of local democracy tools (e-petitions, ensuring transparency and accountability of the local self-government bodies etc.), improving citizens’ participation at the local level as well as solving budget issues in the course of decentralization in Ukraine. The round tables gathered the representatives of local authorities, civil society and journalists.

In the course of the round tables, UCIPR team presented draft decisions on public participatory budget, on e-procurement, on procedures for reporting of local council members and executive committee, on disclosure of financial declarations of local council members as well as rules of procedures for local council and executive committees. The participants discussed the introduction of mechanisms for public participatory budget; approving of the new edition of the Territorial Community Charters.

In addition, UCIPR team presented draft regulations in the area of local democracy and draft regulations on public participatory budget. Moreover, they presented best practices and standards of the citizens’ participation in city management, successfully applied in other cities of Ukraine.

The round table gathered Secretary of City Councils, local council members, representatives of civil

society and journalists. In the course of the round tables, working groups were formed to polish and finalize the draft regulations on public participatory budget and Territorial Community Charter, regulations on public hearings and local initiatives.

Based on the results of the round table, it was built relationship with city councils and city mayors. As well as established working groups for developing amendments to the local acts regulating local democracy. UCIPR expert joined the working groups for consulting and providing support.

Advocacy club alumni initiate and campaign for improving mechanism for citizens' participation at the local level. Therefore, alumni of UCIPR educational events joined the UCIPR advocacy efforts at the regional and local levels. At the same time, UCIPR provided support to all advocacy campaigns launched by the UCIPR alumni.

Expected result 2.6: Citizens better informed about opportunities to participate in local decision-making.

During the second year, citizens received knowledge and develop own skills regarding usage of participatory democracy tools on the local level. For this purpose, the UCIPR team organized awareness campaign, which included dissemination of information materials (booklets and experts' articles) about the right for local referendum.

Developing of information materials about opportunities to participate in local decision-making process

During October 2015 – June 2016, the UCIPR team designed and published information materials on local democracy tools and opportunities to participate in decision-making process at the local level, including booklets and infographics:

- How to submit draft decision on local initiative in Chernivtsi;
- How to apply participatory budget in Lviv City;
- Infographic "What is Participatory Budget";
- Infographic "Why local councils have to introduce e-procurement system";
- Booklet "Instruments of citizen oversight over local authority";
- Infographic "Road map of reforms for Rivne city council";
- Infographic "New opportunities of Rules of Procedures of Rivne city council";
- Infographic "Efficient local council. Priority legal acts for efficient work of local council".

All booklets and infographics were distributed among CSO partners, local self-government bodies, citizens as well as they were distributed during public events and trainings.

In addition, on June 2016, UCIPR designed and published information material for citizens on National Strategy for promotion of civil society development, namely how citizens can take part in the implementation of National Strategy for promotion of civil society development in Ukraine.

The infographic includes information about citizens' participation in National Strategy's implementation at different levels: at the Presidential Coordinating Council's level, at the level of the Cabinet of Ministers, at Ministers' levels, at the regional state administrations and regional Coordinating Councils levels, at the local executive bodies levels and the local government authorities levels.

ЯК ГРОМАДСЬКІСТЬ МОЖЕ ДОЛУЧИТИСЯ ДО РЕАЛІЗАЦІЇ СТРАТЕГІЇ СПРИЯННЯ РОЗВИТКУ ГРОМАДЯНСЬКОГО СУСПІЛЬСТВА?

На рівні Координаційної ради сприяння розвитку громадянського суспільства при Президентові України

- 1) брати участь у засіданні Координаційної ради при Президентові України
- 2) подавати на розгляд Координаційної ради пропозиції щодо проблем громадянського суспільства
- 3) увійти до складу однієї з робочих груп Координаційної ради

На рівні Кабінету Міністрів України

- 1) надавати пропозиції до щорічного Плану заходів Кабміну щодо реалізації Стратегії
- 2) ініціювати проведення громадського обговорення законопроектів з питань розвитку громадянського суспільства в Україні
- 3) брати участь у здійсненні моніторингу та оцінки виконання Стратегії

На рівні окремих міністерств

- 1) увійти до складу робочої групи з підготовки нормативно-правових актів
- 2) брати участь у виконанні окремих пунктів Плану заходів Кабміну
- 3) надавати інформаційно-аналітичну, методичну допомогу у реалізації Стратегії

<http://dovidnyk.org.ua/>

На рівні обласної державної адміністрації та Координаційної ради сприяння розвитку громадянського суспільства при ОДА

- 1) увійти до складу Координаційної ради при Обласній державній адміністрації
- 2) надавати пропозиції до Регіонального плану заходів щодо реалізації Стратегії
- 3) стати співвиконавцем у реалізації окремих пунктів регіонального плану заходів
- 4) брати участь у процесі розробки, виконання, моніторингу та оцінки регіонального цільової програми сприяння розвитку громадянського суспільства

На рівні місцевих органів виконавчої влади

- 1) надавати інформаційно-аналітичну, методичну допомогу місцевим органам виконавчої влади з питань реалізації Стратегії у регіоні
- 2) брати участь в діяльності робочих груп щодо реалізації Стратегії
- 3) здійснювати контроль з дотримання дотримання національного законодавства

На рівні органів місцевого самоврядування

- 1) стимулювати ухвалення місських та обласних програм сприяння розвитку громадянського суспільства
- 2) контролювати врахування положень Стратегії та регіональних планів заходів щодо її реалізації у діяльності органів місцевого самоврядування
- 3) ініціювати проведення конференцій, круглих столів, дискусій щодо проблем розвитку громадянського суспільства

USAID УНЦПД ГРОМАДЯНСЬКИЙ ДІАЛОГ

<http://dovidnyk.org.ua/>

School of Local Democracy

The UCIPR team organized School of Local Democracy in Chernihiv (July 2, 2016) and Ivano-Frankivsk (July 23-24, 2016). The school composes of training aimed at raising citizens' awareness about existing local democracy tools and participation in decision-making process at the local level. The participant of the school were 35 active citizens, CSO representatives and journalists. The schools were organized in the cities where local acts on local democracy mechanisms were passed.

In Ivano-Frankivsk, the School was focused on the oversight over communal enterprises as a mechanism for fighting against corruption. It gathered 15 participants from Ivano-Frankivsk, Volyn, Lviv, Zakarpattya, Chernivtsi, Khmelnytsk, Rivne and Ternopil oblasts.

School of Local Democracy in Chernihiv



In the framework of both schools, the participants received knowledge regarding applying mechanisms of local democracy and instruments for oversight over local authority, including application of the mechanism of local initiatives, public hearings and public expertise of the local budgets. Additional module of training was devoted to ensuring access to public information in the

local self-government bodies. Besides that, the participant of School in Ivano-Frankivsk received knowledge on oversight over communal enterprises of their cities. In addition, they had an opportunity to prepare practical recommendations regarding ensuring transparency and openness of the communal enterprises. Furthermore, they developed advocacy plan for adopting of the local act on ensuring openness of the communal enterprises by the local self-government bodies.

Therefore, School of Local Democracy is a very practical instrument for improving local activists' skills in managing their own cities.

Objective 3: UCIPR's technical and organizational capacity increased to serve as a leader and driver of civil society legislative efforts

During the second year, UCIPR continued to work on strengthening its own technical and organizational capacity by improving its internal control, procurement, financial and HR systems. The focus was given on implementing NUPAS and audit recommendations. In addition, other aspects of its organizational development were strengthened as recommended by UNITER/Pact's 2013 assessment and USAID OFM review. The priority was given to the strengthening its organization capacity.

At the same time, UCIPR also worked on strengthening its own technical capacity. It further developed its legal expertise, analytical skills, skills in project development and management. Its staff also participated in study visits, international events and in-country networking activities.

Finally, UCIPR improved its communication with the international community, donors and other stakeholders by continuing to disseminate policy updates and introducing the practice of sending out information in English to key stakeholders. Besides expert roundtables and participation in government working groups, UCIPR worked more closely with citizens and NGOs whose interests the organization would represent. As a result, UCIPR improved its ability to influence the public agenda.

Results

- 3.1. UCIPR's organizational capacity strengthened – governance structure, procurement processes, financial and human resources systems, monitoring and evaluation, communication and outreach.
- 3.2. UCIPR's technical capacity improved – legal analysis and expertise.
- 3.3. UCIPR's capacity to influence a broad community of stakeholders increased – government, NGOs, citizens and the international organizations.

Indicators:

- Number of NUPAS and audit recommendations implemented
- Number of CSOs partnering with UCIPR
- Number of international donors partnering with UCIPR
- Number of regular policy updates (in Ukrainian and English)

Activities

Expected result 3.1: UCIPR's organizational capacity strengthened – governance structure, procurement processes, financial and human resources systems, monitoring and evaluation, communication and outreach.

During the second year, UCIPR will continue improving its HR, internal control and procurement systems using the requirements of Circular A122 and other USAID regulations.

Improvement of the UCIPR internal control system

Since December 2015, UCIPR launched cooperation with the EBS Consulting Firm which was selected by FMCDI Project. The consulting firm analyzed whether UCIPR internal control system fully comply with requirements of 2 CFR 200, §200.303 (Internal controls, “Standards for Internal Control in the Federal Government”) issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

During November 2015 – February 2016, the UCIPR team developed the schedule for preparing and conducting audit of all projects funded by the US Government. It announced tender for conducting external audit of both projects. On February 2016, BDO audit firm was selected by the procurement panel. The audit was conducted by audit firm in May – August 2016, report and management letter were delivered to USAID and UCIPR in September 2016.

UCIPR also received legal consultations from EBS and auditor firm regarding preparing contracts with external contractors (legal entities, private entrepreneurs, natural persons). In the course of consultations, experts analyzed the existing practices for concluding the UCIPR contracts and provided recommendations for improving contracts templates.

Based on the results of analysis internal control system, a plan for improving of the UCIPR internal control system was developed.

Implementation of NUPAS and audit recommendations

Starting from December 2015, UCIPR with the support of FMCDI Project and EBS Consultancy Firm worked on the improving of policies and procedures, including HR, accounting, procurement and project management policies. Due to successful cooperation with consultants, it was improved HR system and policies which envisages improvements of HR policies, clear delineation and division of staff functions, responsibilities and subordination based on actual work being carried out in the Organization’s different activities. In addition, it foresees upgrade of a pay scale for both permanent and temporary employees using the same rates for compensating staff for work on all projects as prescribed in OMB Circular A-122 Attachment B, Section 8, Compensation for Personal Services; upgrade of the overall compensation increase procedure. Moreover, the procedures for annual staff evaluation were improved to include a graded system for evaluating staff achievements.

In the course of the cooperation with EBS consultancy firm, procurement policies were improved with the view to make them less burdening but more efficient. New accounting policy was developed that systematized and set forth the principles, methods, and procedures to be used by organization in the course of preparing and submitting of financial reporting. The policy was developed in compliance with the National and International Accounting Standards for civil society organizations (IPSAS).

Furthermore, new policy for business trips was developed. It laid out the principles and procedures for documenting of UCIPR staff business trips, including interaction with the UCIPR staff and deadlines for documents submission.

Finally, new version of accounting system “1C” was introduced that included additional modules for initiating payments and approving payments, analysis of cash flow by project and for producing financial statements on a quarterly basis for overall assessment of financial position of the Organization.

Strengthening of UCIPR’s organizational capacity

During reporting period, UCIPR staff received consultations from external experts, including EBS consultancy firm, USAI FMCDI Project and USAID OFM on the development/amendments of certain policies and procedures following NUPAS and audit recommendations. Furthermore, the UCIPR staff improved its skills in project monitoring and evaluation skills, gender, financial management and internal control system trainings.

During the second year, USAID FMCDI Project organized a set of conferences and trainings, in which UCIPR staff took part, including:

- Conference “Financial Management and Development of NGOs: Strategic Planning, Budgeting, Audit Requirements and USAID Compliance” (October 22-23, 2015) to discuss strategic planning, business canvas models for NGOs, nonprofit accounting and budgeting, benchmarking best practices, cost principles, audit requirements; fraud awareness.
- FMCDI Training on Cost Share issues (March 29, 2016), which were covered such topics as introduction to cost share, allowable and unallowable Cost Share, reporting cost share, links to USG regulations on cost share.
- FMCDI Conference: “Financial Management and Development of NGOs: Quality Controls in GAGAS and NGO Audits for USAID” (June 22-23, 2016) which was on Non-U.S. Organization Pre-Award Survey (NUPAS). Main topics covered by the USA included such issues as: NUPAS Mandate, Goals and Agency Guidance; NUPAS Basics; Business and Strategic Planning, and Benchmarking Data – Big Picture for Orgs and Implementation; Establishing Criteria for NUPAS; War Stories; How to conduct a NUPAS; Organization Capacity Assessment; Fundamentals of Cost Allocations, Direct and Indirect Costs Rules; Case Studies.

In addition, UCIPR organized a set of individual or group trainings for the UCIPR staff in organizational development, staff management, time management, project management, and HR.

On November 3-7, 2015, Organization Development Manager took training in Organizational Development and Staff Management. The training helped improve the skills in development of organizational policies such as pay scale policy, motivation policy, staff evaluation, internal staff training, and changes in corporate cultures.

On November 9 and 16, 2015, a two-day training in project management was organized for the UCIPR staff. The training was divided into two parts – theory and practice. During the training the participants managed to form basic understanding about project management and learn about major approaches to project management (PMBok 2015, IS21500, Prince2, Agile/Scrum). During the practical part, the participants were presented the interface of two software products (Microsoft Project and Worksection).

The training was conducted by Oleksiy Prosnitsky, Director of Consulting Firm Leo Consulting¹⁶.

Training in project management



¹⁶ www.leoconsulting.com.ua.

On December 25-29, 2015, the UCIPR team organized a three-day training in time management and delegation, which was focused on improving the UCIPR staff abilities in planning, setting the goals, time management, delegating of assignments, asset management, timing analysis, setting the priorities. During the training, factors influencing the team and individual efficiency were analyzed. In the course of the training, the UCIPR employees improved their skills in planning, delegation of responsibilities, staff meetings planning and organization of efficient staff meetings. The training was conducted by Serhiy Stetsenko, partner of Training Center “Training Studio of Serhiy Stetsenko”¹⁷.

Picture: Training in Time Management



On November 23 – December 23, 2015, UCIPR HR Manager took part in the training in Labor Legislation and HR management for improving skill of HR Manager organized by the HR Company Golden Staff (www.staff.ua). In the course of training, HR manager improved her competencies and skills of HR Manager, including such areas as: HR management, internal organization and regulations, employment contract, recruitment procedures, termination of contract; working hours, leaves, holidays, business trips, individual labor disputes, staff reporting, control of labor legislation, responsibility in the area of labor relations.

On February 2016, the UCIPR representatives participated in Sub-grants Management Round Table organized by FMCDI in partnership with ISAR/Yednannia. During the round table, the UCIPR representatives had an opportunity to learn from ISAR/Yednannia experience in the area of sub-granting. There was also an opportunity to discuss practical issues regarding organization of the work of selection committee, communication rules with potential sub-grantee, requirements to the financial reporting etc.

During January – March 2016, Project Monitoring and Evaluation Expert took part in on-line training in monitoring and evaluation organized by INTRAC. During the training, there was an opportunity to learn how to develop M & E system in organization, how to develop perfect indicators, how to assess the projects impact, how to conduct monitoring visits etc. The received knowledge will be used in the future work of the project.

During January – March 2016, Project Monitoring and Evaluation Expert took part in on-line training in monitoring and evaluation organized by INTRAC. During the training, there was an opportunity to learn how to develop M & E system in organization, how to develop perfect indicators, how to assess the projects impact, how to conduct monitoring visits etc. The received knowledge will be used in the future work of the project.

¹⁷ www.st-up.com.ua

Strategic and Teambuilding session for UCIPR team

On July 22, 29-30, 2016, UCIPR organized strategic planning and teambuilding session for the UCIPR staff. During the session, mission and vision of the organization were reshaped, UCIPR organizational development and strategic goals were revised. Based on the results of discussion, the UCIPR Strategy was renewed. The new strategy will be presented to the General Meetings for its consideration.

The session was attended by the UCIPR staff, management of organization and project directors. It was also attracted external consultant Volodymyr Malichevskyy, Director of Consulting Center “Consulting Center IPCM”¹⁸ who hold the session and helped UCIPR with the drafting the UCIPR Strategy.

UCIPR strategic session



UCIPR Internship program

During the reporting period, UCIPR continued its two-month internship program. Two interns were selected for conducting research. Namely, Hrustyna Kvartsyana was involved in research of the state financial support to civil society organizations at the local level and in organizing Civic Society Forum “Civil Society and Public Authority: Friends or Enemies” October 13, 2015, Kyiv.

Ihor Dubrovskyy was involved in research on the legal regulation for local democracy mechanisms. He was also engaged in the preparation and organization of Advocacy Club on December 22-23, 2015.

Expected result 3.2: UCIPR’s technical capacity improved – legal analysis and expertise

During the second year of the project implementation, UCIPR team worked on the improvement of the quality of research papers and strengthening communication with other think tanks.

Subscription of Accounting Journal “Debet – Kredit” and Liga Zakon

On October 2015, UCIPR team made annual subscription of the Accounting Journal “Debet – Kredit” (www.dtkk.ua) and Liga Zakon (www.ligazakon.ua) to be able to receive all information about changes into legislation on a timely basis.

¹⁸ www.icpmconsulting.com.ua

Expected result 3.3: UCIPR's capacity to influence a broad community of stakeholders increased – government, NGOs, citizens and the international organizations

UCIPR's policy updates

During reporting period, 12 monthly policy updates in Ukrainian and 11 policy updates in English were produced. All of them were disseminated among stakeholders and donors. The policy updates contained information about major changes in legislation which entered into force or which could be adopted in the nearest future. The updates also informed civil society about interesting events and opportunities for their development.

Training in Public Speaking

During July – August 2016, it was organized four-day training in public speaking for the UCIPR experts and management (July 1, 3-4 and August 29, 2016). In the course of the training program, the participants improved their skills in preparing and delivering public speeches to different audiences as well as helped to learn how to control emotions during public speaking and to overcome the fear before the public speaking. Moreover, the participants received skills for motivating listeners. Every participant had an opportunity to prepare own public speech and presented it to the colleagues. The trainers provided individual recommendations for improving delivered speeches.

This training was conducted by Volodymyr Piddubny and Volodymyr Levytskyy, Training Center “MetaVision Consulting”¹⁹. It was particularly important for young UCIPR employees who systematically dealing with advocacy.

Training for Trainers

The training for trainers aimed at developing UCIPR staff skills and knowledge required for holding successful training events was postponed to the third year of the project implementation as it was designed for the new staff who joined team only in the last months of the second year. Trainings for civic activists are the main instrument of sharing UCIPR ideas and knowledge. The participants of two-day seminar “Training for trainers” will strengthen the skills in training preparing and information presentation. In addition, they will improve their skills required for the work with audience, passive audience inclusiveness, neutralization of destructive participants. After the trainings, it will be formed list of recommendations for improving quality of the UCIPR trainings.

First Year Project Results Presentation

On December 9, 2015, UCIPR presented the results of the first year of the project. It was aimed at informing civil society representatives, donors and public officials about successes of the project and to inform about plans for the second year. During the event, the project team presented the major advocacy successes, shared experience and reopened plans for the future. Presentation was attended by the representatives of USAID, ISAR/Yednannia, Council of Europe, International Renaissance Foundation, EUAM and EU Delegation to Ukraine and others²⁰.

¹⁹ www.metavision.com.ua.

²⁰ <https://www.facebook.com/media/set/?set=a.926780527370065.1073741838.149051388476320&type=3>

First year project presentation



USAID University Days and Mistechko USAID

During the second year, UCIPR team participated in two USAID University Days in Vinnytsya and Chernivtsi and one American Days in Lviv. In addition, it participated in two Mistechko USAID in Kherson and Chernivtsi. During all these events, the project team presented project activities in the particular cities as well as taught citizens of simple forms of civic participation and direct action.

University days in Lviv



V. Mandatory Factors

A. Gender

During the reporting period, UCIPR tried to attract equal number of women and men to its trainings and activities. UCIPR supported Ukrainian coalitions or networks dealing with gender inequality in the application of government policies and practices. It incorporated gender in all trainings to increase awareness of gender gaps that helped facilitate inclusion of women in formal decision-making processes in civil society work. Moreover, conducting legislative and policy analysis, drafting and monitoring, UCIPR performed through the gender lens. All advocacy initiatives

considered gender differences and perspectives from the onset in order to effectively represent all Ukrainians and their interests.

UCIPR also worked closely with other activities implemented under the Civic Oversight Project that focused specifically on the advocacy and monitoring initiatives and CSO organizational capacity building in order to strengthen women's participation in civil society activism and engagement.

B. People with Disabilities

UCIPR assisted DPOs and CSOs engaged in disability issues to understand and use legislative and policy changes. UCIPR helped these organizations improve their capacities to analyze and put forth recommendations on legislation. It invited people with disabilities to its workshops on new CSO legislation. It invited people with disabilities to its workshops on new CSO legislation.

UCIPR worked closely with other Civic Oversight Project activities that assisted in advocacy and monitoring initiatives as well as provided institutional and management capacity-building support to DPOs and CSOs engaged in disability programming. UCIPR looked for synergies between this program and other USG-supported initiatives, and presented additional areas for support to the issue of disability in civil society strengthening.

C. Lesbian, Gay, Bisexual and Transgender Community

This program assisted organizations focused on LGBT issues, along with other organizations, to support a legislative framework that protects and supports civil society. UCIPR engaged a breadth of civil society organizations working to improve the legislative environment, including those that focus on LGBT issues. UCIPR worked closely with other activities implemented under the Civic Oversight Project that focus specifically on the advocacy and monitoring initiatives and CSO organizational capacity building in order to support organizations representing underserved populations. UCIPR invited LGBT organizations representative to all events and engaged them in all activities.

D. Sustainability

In order to achieve sustainability of the project in 2015-2016, the program team prepared the Second Year Implementation Plan, improved relationship with the Ministry of Justice as key Beneficiary and other ministries, such as Ministry of Finance and Ministry of Social Policy. It also continued all activities, which were initiated during the first year.

Finally, it strengthened cooperation with CSO partners.

VI. Coordination

All second year activities were implemented in close collaboration with other Mission activities and projects, as appropriate, including those outside the democracy and governance sector portfolio. This helped identify complementarities, synergies and areas for collaboration. For instance, the Ukraine Civil Society Capacity Building activity can provide with knowledge and skills on various different fields (e.g., advocacy and communication, international law and best practices). There may be numerous opportunities for linkages with the media program (U-Media). Efforts to raise media and public awareness of CSO legislative activities, including the use of Information and Communication Technologies (ICTs), were very important and will require joint actions. Other programs include (but not limited to):

- The USAID/Strengthening Civil Society in Ukraine (also known as Ukraine National Initiative to Enhance Reform – UNITER);

The USAID/Ukraine Financial Management Capacity Development Initiative;

- The USAID/Ukraine rule of law program dealing with administrative law reform, especially given the role of administrative courts as the nexus for resolving disputes between citizens and government;
- The USAID/Ukraine Responsible Accountable Democratic Assembly (RADA) program to spur civil society participation in legislative drafting and to monitor legislation implementation;
- USAID's Human Rights in Action Program;
- The USAID/ Global Labor Program: Ukraine American Center for International Labor Solidarity (Solidarity Center);
- The USAID/Ukraine Civil Society Capacity Building Project Initiative to Support Social Action to promote civil society organizations development;
- The USAID/Strengthening Political Processes in Ukraine Program;
- The USAID/ Domestic Oversight of Political Processes in Ukraine Program (All-Ukrainian public organization "Civic Network OPORA");
- The USAID/Policy for Ukraine Local Self Governance (PULSE) to strengthen local governance and local democracy as well as to promote citizen participation in decision making at the local level.

The activity also worked in close collaboration with non-US government donors, including the International Renaissance Foundation, UNDP, Swedish, Canadian and other Embassies, the EU Delegation and EU projects implemented in Ukraine. Regular donor coordination will better shape legislative agenda and will allow for more effective using of resources.

In addition, UCIPR closely cooperates with the CSO coalitions and partner CSOs, namely the Reanimation Package of Reforms, Center for Democracy and Rule of Law, Helsinki Human Rights Union, Center UA etc.